

said county; to the Committee on Agriculture.

By Mr. PETERSON:

H. R. 4642. A bill to amend title 6 of the United States Code to provide for the issuance by the United States of official bonds covering Government officers and employees without charge to such officers and employees, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. BARDEN:

H. R. 4643. A bill to provide for Federal financial assistance to the States in bearing certain costs of public elementary and secondary school education; to the Committee on Education and Labor.

By Mr. BOGGS of Louisiana:

H. R. 4644. A bill extending section 1302 (a) of the Social Security Act, as amended; to the Committee on Ways and Means.

By Mr. FEIGHAN:

H. R. 4645. A bill to authorize certain administrative expenses for the Department of Justice, and for other purposes; to the Committee on the Judiciary.

By Mr. BROOKS:

H. R. 4646. A bill to authorize the Secretary of the Army to lend certain property of the Department of the Army to national veterans' organizations for use at national youth tournaments; to the Committee on Armed Services.

By Mrs. DOUGLAS:

H. R. 4647. A bill to provide authorization for additional funds for the extension and improvement of post-office facilities at Los Angeles, Calif., and for other purposes; to the Committee on Public Works.

By Mr. MACK of Illinois:

H. R. 4648. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. COOLEY:

H. Res. 210. Resolution to provide funds for the expenses of the studies and investigations authorized by House Resolution 112; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Delaware, relative to their Senate Resolution 45 opposing a national compulsory sickness insurance program; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 4649. A bill for the relief of Mario Penque; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H. R. 4650. A bill for the relief of Bank of America National Trust and Savings Association; to the Committee on the Judiciary.

H. R. 4651. A bill for the relief of James Patrick McBride; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 4652. A bill for the relief of Tom W. Schultz; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 4653. A bill for the relief of the New York Quinine & Chemical Works, Inc.; Merck & Co., Inc.; and Mallinckrodt Chemical Works; to the Committee on the Judiciary.

By Mr. HEFFERNAN:

H. R. 4654. A bill for the relief of Celestino Fernandez; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 4655. A bill to provide for the award of a suitable medal to George E. Clark; to the Committee on Banking and Currency.

By Mr. LICHTENWALTER:

H. R. 4656. A bill for the relief of Mrs. Bertha Keene; to the Committee on the Judiciary.

By Mr. LUCAS:

H. R. 4657. A bill for the relief of J. R. Fleming & Co.; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 4658. A bill for the relief of Jerzy Pietron; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

826. By Mr. DONDERO: Memorial of the Michigan Legislature, making application to the Congress for the calling of a convention to propose an amendment to the Constitution of the United States in reference to the use of the taxing power to produce revenue beyond a legitimate necessity of a Federal Government other than defense needs, etc.; to the Committee on the Judiciary.

827. By Mr. FORAND: Resolution of the Town Council of West Warwick, R. I., memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

828. By Mr. ROONEY: Petition of Mr. and Mrs. Harold Olsen and sundry other residents and citizens of Brooklyn, N. Y., in opposition to the reduction of the Veterans' Administration hospital program and opposing the transfer of the Veterans' Administration district office from New York to Boston; to the Committee on Veterans' Affairs.

829. By Mr. SABATH: Resolutions adopted by the American Defenders of Bataan and Corregidor, Inc., Boston, Mass., at their annual convention in Atlantic City April 9, 1949, asking that the United Nations be strengthened to secure cooperation of all nations to maintain a lasting peace; to the Committee on Foreign Affairs.

830. By the SPEAKER: Petition of John W. McVay, president, Texas Feed Manufacturers Association, San Antonio, Tex., urging Congress to permit private enterprise to engage in the exportation of grain, grain products, flour, and manufactured feed in an open market unhampered by governmental control; to the Committee on Banking and Currency.

831. Also, petition of Benjamin Mejia Martinez, president, Salvadoran Railroad Workers Union, San Salvador, El Salvador, requesting the dismissal of Mr. Wilson because of 5 days' strike and asking for mediation; to the Committee on Foreign Affairs.

832. Also, petition of Texas Federation of Cooperatives, Dallas, Tex., requesting a full investigation of the organizations attacking farmer cooperatives and compilation and publication of a list of all contributions to such organizations for the past 3 years; to the Committee on Rules.

833. Also, petition of Edward W. Woods, Williamsport, Pa., relative to certain inconsistencies on taxation existing in our Internal Revenue Act; to the Committee on Ways and Means.

834. Also, petition of C. J. Baumann, Jr., chairman, Wisconsin State Dental Society, Milwaukee, Wis., requesting the Congress not

to enact any legislation containing the principle of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

835. Also, petition of Mrs. Edwin S. Lambers, National Society, Daughters of the American Revolution, Washington, D. C., petitioning consideration of a number of resolutions adopted at their fifty-eighth continental congress relative to the Un-American Activities Committee and its publications, retaining American ideals in education, Federal aid to education, world government, opposing international trade organizations, opposing ratification of the International Labor Organization freedom-to-organize convention, and immigration; to the Committee on Foreign Affairs.

836. Also, petition of Mrs. Dora Bornhausen, Bad Wiessee, Upper Bavaria, petitioning consideration of her resolution with reference to adjudgment for Mrs. Dora Bornhausen, Bad Wiessee, House Seeblick, Upper Bavaria (US/7722/759/G-2/C. C. Doc. No. US/CC/G-24/404); to the Committee on the Judiciary.

837. Also, petition of W. S. Boot and others, Galesburg, Ill., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

838. Also, petition of Mr. and Mrs. Charles Buck and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

839. Also, petition of Mrs. Cecile Haley and others, Boynton Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

840. Also, petition of Mary Lambert and others, North Miami Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

841. Also, petition of Mrs. Effa K. Collings and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

THURSDAY, MAY 12, 1949

(Legislative day of Monday, April 11, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all grace, Thou hast taught us that even in the midst of a clamorous world in quietness and in confidence shall be our strength.

As we rejoice in the lifting of an unrighteous blockade, whose cruel and callous purposes have been thwarted by the valor, daring, and skill of freedom's dauntless eagles of the air, save us from blockading the city of our own souls against faith and hope and love and the spiritual commerce which alone can feed and warm our hearts and minds. Restore in us, we pray Thee, the traffic of Thy enabling grace, so that spirit with spirit may meet and the deepest cravings of our nature be satisfied. We ask it through Him who is the Prince of Peace and in whose spirit and name we pray. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 11, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

LEAVES OF ABSENCE

On request of Mr. SALTONSTALL, by unanimous consent, Mr. AIKEN was excused from attending the sessions of the Senate today and tomorrow.

Mr. MARTIN asked and obtained consent to be absent from the Senate tomorrow.

Mr. FERGUSON asked and obtained consent to be absent from the session of the Senate tomorrow.

Mr. MAYBANK asked and obtained consent to be absent from the session of the Senate tomorrow.

Mr. FLANDERS asked and obtained permission to be absent from the session of the Senate tomorrow and for probably the most of next week.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hoey	Mundt
Baldwin	Holland	Murray
Brewster	Hunt	Neely
Bricker	Ives	O'Mahoney
Bridges	Jenner	Pepper
Butler	Johnson, Colo.	Robertson
Cain	Johnson, Tex.	Russell
Capehart	Johnston, S. C.	Saltonstall
Cordon	Kilgore	Sparkman
Ecton	Knowland	Stennis
Ellender	Langer	Taft
Ferguson	Lodge	Taylor
Flanders	Lucas	Thomas, Utah
Fulbright	McCarthy	Watkins
Gillette	McClellan	Wherry
Graham	McFarland	Wiley
Green	McGrath	Williams
Gurney	McKellar	Withers
Hayden	Martin	Young
Hendrickson	Maybank	
Hill	Miller	

Mr. MYERS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Illinois [Mr. DOUGLAS], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Nevada [Mr. McCARRAN], and the Senator from Maryland [Mr. O'CONNOR] are detained on official business in meetings of committees of the Senate.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from California

[Mr. DOWNEY], and the Senator from Mississippi [Mr. EASTLAND] are absent on official business.

The Senator from Kentucky [Mr. CHAPMAN], the Senator from Delaware [Mr. FREAR], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senators from Oklahoma [Mr. KERR and Mr. THOMAS] are absent by leave of the Senate on official business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Texas [Mr. CONNALLY], the Senator from Georgia [Mr. GEORGE], the Senator from Connecticut [Mr. McMAHON], and the Senator from Maryland [Mr. TYDINGS] are excused by the Senate for the purpose of attending sessions of the Committee on Foreign Relations, which is holding hearings on the North Atlantic Pact.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. AIKEN], the Senator from Kansas [Mr. SCHOEPEL], and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate.

The Senator from Nevada [Mr. MALONE] is necessarily absent.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Missouri [Mr. DONNELL] is absent by leave of the Senate for the purpose of being present at a meeting of the Committee on Foreign Relations.

The Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Michigan [Mr. VANDENBERG] are excused by the Senate for the purpose of attending sessions of the Committee on Foreign Relations holding hearings on the North Atlantic Pact.

The Senator from Colorado [Mr. MILLIKIN], the Senator from Missouri [Mr. KEM], the Senator from Oregon [Mr. MORSE], the Senator from Kansas [Mr. REED], the Senator from Maine [Mrs. SMITH], and the Senator from New Hampshire [Mr. TOBEY] are detained on official business.

The VICE PRESIDENT. A quorum is present.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. BALDWIN asked and obtained consent that a subcommittee of the Armed Services Committee hearing the Malmedy case be permitted to sit this afternoon.

Mr. ROBERTSON asked and obtained consent that a subcommittee on the Federal Reserve System of the Banking and Currency Committee be permitted to hold a hearing this afternoon while the Senate is in session.

TRANSACTION OF ROUTINE BUSINESS

The VICE PRESIDENT. Without objection, the Chair will recognize Senators who desire to present matters to the Senate by way of routine business, without speeches and without statements.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

ADMINISTRATIVE EXPENSES FOR TREASURY DEPARTMENT

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to authorize certain administrative expenses for the Treasury Department, and for other purposes (with an accompanying paper); to the Committee on Expenditures in the Executive Departments.

LOAN TO FOOD AND AGRICULTURE ORGANIZATION OF THE UN

A letter from the Under Secretary of State, transmitting a draft of proposed legislation to authorize the President to lend to the Food and Agriculture Organization of the United Nations funds for the construction and furnishing of a permanent headquarters, and for related purposes (with an accompanying paper); to the Committee on Foreign Relations.

GREAT LAKES-ST. LAWRENCE SEAWAY PROJECT—RESOLUTION OF NATIONAL AVENUE ADVANCEMENT ASSOCIATION OF MILWAUKEE, WIS.

Mr. WILEY. Mr. President, I ask unanimous consent that there be appropriately referred and printed in the body of the CONGRESSIONAL RECORD at this point the text of a splendid resolution which I have received from George L. Bott, Secretary of the National Avenue Advancement Association of Milwaukee, Wis. This resolution points up the imperative necessity of completion of the Great Lakes-St. Lawrence seaway project, on which I hope and expect legislation will shortly be introduced in the Senate with extensive cosponsorship by members of both parties, including myself.

I ask that following the resolution there be appropriately referred and printed in the RECORD a brief editorial from the Milwaukee Journal of March 19, pointing up a most interesting contradiction on the part of opponents of the seaway.

There being no objection, the resolution and editorial were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE NATIONAL AVENUE ADVANCEMENT ASSOCIATION OF MILWAUKEE, WIS., SUBMITTED TO THE ST. LAWRENCE SUBCOMMITTEE, SENATE FOREIGN RELATIONS COMMITTEE, WASHINGTON, D. C.

Whereas President Truman, in his annual report to the Congress, strongly urged upon the Congress immediate development of the St. Lawrence seaway and power project, to alleviate power shortages and to furnish necessary expansion of our national transportation facilities; and

Whereas the development of the St. Lawrence seaway project will extend the benefits of direct ocean transportation to the city of Milwaukee, the State of Wisconsin, and the entire Great Lakes area; will permit Milwaukee industries to import essential raw materials at low cost and, through the advantage of direct ocean service, to reach new foreign markets and to expand greatly the foreign trade of this area; and

Whereas the development of the St. Lawrence River will provide vast quantities of

low-cost hydroelectric energy now running wastefully into the sea, and, in general, will enhance the economic prosperity, the industrial strength, and the well-being of the entire Nation and our friendly neighbor, Canada; and

Whereas the events of World War II demonstrated the absolute necessity of the St. Lawrence seaway for the national defense and the military security of this Nation by providing a safe interior location for national defense industries, for storage of strategic materials, and for construction of naval and merchant vessels—considerations which have been certified to the Congress by our most eminent military authorities: Now, therefore, be it

Resolved by the National Avenue Advancement Association, That we strongly endorse the St. Lawrence seaway and power project, and request that this resolution be entered in the records of your hearings with the trust that after consideration by your honorable committee of the merit of this important project your committee will recommend to the Congress the passage of the seaway legislation now before you.

GEORGE L. BOTT, *Secretary*.

[From Milwaukee (Wis.) Journal of March 19, 1949]

NEW YORK'S CONTRADICTIONS

How credulous do the New York Harbor interests believe the American people to be? Here's what a New Yorker asks the American public to believe: First, that the proposed St. Lawrence waterway would be a little-used, uneconomic, and usually frozen-over ship channel; second, that it would divert, from the New York Harbor alone, "more than half" of its 5,500,000 tons of shipping.

So this little-used, uneconomic, usually frozen-over ship channel would carry nearly 3,000,000 tons annually diverted from New York Harbor, plus all the other tonnage that could not be classified as diversion.

Clearly, here are a couple of "two's" that do not make four.

AMENDMENT OF DISPLACED PERSONS ACT—RESOLUTION OF SHEBOYGAN (WIS.) COMMITTEE ON DISPLACED PERSONS

Mr. WILEY. Mr. President, I have received a resolution from the Sheboygan (Wis.) Committee on Displaced Persons, urging immediate action on S. 311, to amend the Displaced Persons Act of 1948. As my colleagues will recall, it has been my pleasure to introduce liberalizing amendments to S. 311 in the form of S. 1055, S. 1315, S. 1316, and S. 1317.

I am indeed hoping that we here on the Senate side will take prompt action on revision of the present displaced persons law, and as a matter of fact I have commented on this subject previously on the floor of the Senate.

I feel, too, that we must indeed devote our attention along with other phases of the displaced-persons problem to the very critical problem facing the millions of expelled persons of German ancestry who were thrown out of their homelands at the termination of the war and who were forced into Germany.

Without detracting in any way from the humanitarian question of displaced persons, let us not forget the plight of the expelled persons. Action on processing visas for admission of these expellees has been lagging since the passage of the displaced-persons law, with its expellee provision, and it is obvious that we must speed up such action in addition to

speeding up action on the over-all displaced persons front.

I ask unanimous consent, therefore, that the resolution of the Sheboygan Citizens Committee on Displaced Persons, signed by James J. Dillman, chairman, and Marie Bale, secretary, be appropriately referred and printed at this point in the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

The Sheboygan Citizens Committee on Displaced Persons, in meeting assembled this 6th day of May, A. D. 1949, adopts the following resolution:

"Whereas the present laws regarding the admission of displaced persons has proven itself to be very inadequate; and

"Whereas this committee opposes inserting religious quotas into displaced-persons legislation as inconsistent with the emergency nature of the displaced-persons problem and contrary to our American heritage and traditions; and

"Whereas we feel that the United States has failed to admit its fair share of the world's displaced persons under the present legislation: Therefore, be it

Resolved, That the committee urge the Senate Subcommittee on Immigration to take immediate action on the McGrath-Neely bill in order that necessary legislation may be considered by the United States Senate, and that copies of this resolution be sent to Senators WILEY and McCARTHY, of Wisconsin, and to Senator PAT McCARRAN, chairman of the Senate Subcommittee on Immigration, by the secretary."

JAMES J. DILLMAN,
Chairman.

MARIE BALE,
Secretary.

RESOLUTIONS OF GENERAL FEDERATION OF WOMEN'S CLUBS

Mr. WILEY. Mr. President, I have received this morning from Mrs. J. L. Blair Buck, president of the General Federation of Women's Clubs, the text of resolutions adopted at the national convention of the General Federation in Hollywood, Fla. I feel that these resolutions will be of interest to all of my colleagues, particularly because the General Federation has an affiliated membership of some 5,000,000 women. I find myself in agreement with the General Federation on many of the resolutions, for example, on adequate management of public watershed lands, protection of our national parks, continuation of the essential work of the House Un-American Activities Committee, revision of the present obsolete electoral college system, opposition to Federal control of health services, support of ratification of the North Atlantic Pact, and aid for Indian rehabilitation.

I ask unanimous consent that the text of these resolutions be printed at this point in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

GENERAL FEDERATION OF WOMEN'S CLUBS—RESOLUTIONS ADOPTED IN CONVENTION, HOLLYWOOD, FLA., APRIL 25-30, 1949

1. WATER SUPPLY

Whereas a dependable water supply is the lifeblood of our Nation's health and economy, controls food production and the development of industries; and

Whereas each year the efficiency of costly storage reservoirs throughout the United States is reduced through sedimentation from overused and burned-over watershed lands; and

Whereas many flood-control structures have been powerless to hold back the flood waters rushing from such denuded watershed lands: Therefore,

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1949, urges Congress to put into operation immediately an over-all program designed to—

1. Rehabilitate these valuable watershed lands which have been denuded and are endangering life and property.

2. Make certain that proper and adequate management is given all of our public watershed lands so that no additional acreage will be ruined and contribute to reservoir sedimentation and disastrous floods.

MISS ETHEL L. LARSEN,
Chairman, Conservation of Natural Resources Committee.

2. COMMENDING AND SUPPORTING NATIONAL PARK SERVICE POLICY

Whereas our national parks and monuments are administered by the National Park Service under policies which ensure permanent preservation of scenic, scientific, and historical natural features which they contain, and under policies which prohibit grazing, logging, mining, and engineering projects which will destroy their natural character; and

Whereas many local and commercial interests seek to despoil these national parks and monuments for their personal profit by introducing legislation in Congress that would open them to exploitation: Therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1949, commends the National Park Service for its adherence to official policies and that the federation asserts its strong opposition to any effort that may be made to commercialize any national park or monument, whether by direct invasion, by altering boundaries, or by any other means.

MISS ETHEL L. LARSEN,
Chairman, Conservation of Natural Resources Committee.

3. COMMITTEE ON UN-AMERICAN ACTIVITIES

Whereas the General Federation of Women's Clubs recognizes that information on the infiltration of foreign agents and subversive organizations is essential as a protection to our national security; and

Whereas the Congress of the United States now has in the House of Representatives a standing Committee on Un-American Activities which has done outstanding defensive work for this country during the past 10 years: Therefore, be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1949, endorses the continuation of the Committee on Un-American Activities during the Eighty-first Congress, provided that in the exercise of its investigatory powers it work with the Federal Bureau of Investigation and that certain procedural and administrative safeguards protecting the rights of individuals be incorporated into a definite code of procedures under which the committee shall function.

Mrs. C. D. WRIGHT,
Chairman, Legislation Department.

4. UNIFORM MARRIAGE AND DIVORCE

Whereas more than half a million divorces and almost as many remarriages are taking place in the United States annually; and

Whereas lack of uniform laws often results in illegal divorces, illegal remarriages, and

illegitimacy of children with consequent break-down of moral standards and confusion of property rights: Therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1949, approves an amendment to the Constitution of the United States giving the Congress power to enact uniform marriage and divorce legislation; and

Resolved further, That the General Federation of Women's Clubs recommends an educational campaign to acquaint its members and the general public with the implications of existing laws and the advantages of uniform legislation pertaining to marriage and divorce.

Mrs. C. D. WRIGHT,
Chairman, Legislation Department.

5. REVISION OF THE ELECTORAL COLLEGE SYSTEM

Whereas under the present procedure the election of the President and Vice President of the United States does not necessarily reflect the will of the people: Therefore

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1949, urges the adoption of an amendment to the Constitution of the United States abolishing the electoral college and dividing the electoral vote in each State in proportion to the popular vote.

Mrs. C. D. WRIGHT,
Chairman, Legislation Department.

1. HEALTH SERVICES

Whereas needed medical and health services should be placed within the reach of every individual within the United States; and

Whereas we believe the most effective approach to the national health problem lies in the extension and development of voluntary health insurance; and

Whereas we believe the extent of Federal grants necessary to aid the various States in providing care for the medically indigent can be determined by Nation-wide governmental supported surveys made by States agencies: Therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled April 1949, goes on record against Government control of health services which would jeopardize free enterprise, establish heavy new tax burdens and unprecedented national deficits, and infringe upon the powers of the individual States; and

Resolved further, That copies of this resolution be sent to the proper authorities and to the Members of Congress.

Mrs. STEPHEN J. FRANCISCO,
Chairman, Public Welfare Department.

2. ATLANTIC PACT

Whereas the board of directors of the General Federation of Women's Clubs, at its October 15, 1948, meeting, recorded its support of necessary legislation to implement the plans for self-defense of those members of the United Nations with whom the United States may join in the interests of collective security; and

Whereas since this date the signature of the United States has been affixed to the North Atlantic Pact, which now awaits Senate action: Therefore be it

Resolved, That the General Federation of Women's Clubs in convention assembled, April 1949, urges prompt ratification by the United States Senate of this treaty; and further

Resolved, That after ratification adequate means for implementation of the North Atlantic Pact be provided by the Congress of the United States; and further

Resolved, That this resolution be sent by wire to the President of the United States,

the Secretary of State, and the Foreign Relations Committee of the United States Senate.

Mrs. AMBROSE N. DIEHL,
Chairman, International Relations
Department.

3. INDIAN RELIEF

Whereas Indians living on reservations in some States have not been receiving public-assistance benefits due them under the social-security laws and several of the States in which reservations are located are too poor to finance their share of the cost of such benefits; and many Indians have not been provided necessary welfare, health, educational, and other public services by the Federal Government; and

Whereas economic distress of many Indians has been aggravated during this past winter by severe livestock losses caused by heavy snowstorms: Therefore be it

Resolved by the General Federation of Women's Clubs in convention assembled, April 1949, That all States should be required to assume their proper legal responsibility for Indians without discrimination, with the stipulation that, where necessary, States should receive extra Federal aid on a temporary diminishing basis to help finance this heavy burden of Indian relief; and further

Resolved, That the Federal Government should fully discharge its obligation to provide adequate educational, health, economic, and other opportunities to all Indians.

Mrs. JOHN J. KIRK,
Chairman, Indian Welfare Committee.

RESOLUTIONS OF UNITED SPANISH WAR VETERANS ENCAMPMENT, HASTINGS, NEBR.

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the RECORD resolutions adopted by the United Spanish War Veterans Encampment, held at Hastings, Nebr., on May 1, 2, and 3, 1949.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY UNITED SPANISH WAR VETERANS ENCAMPMENT HELD AT HASTINGS, NEBR., MAY 1, 2, 3, 1949

Be it resolved by the forty-second annual encampment of the United Spanish War Veterans:

1. That we support the American Constitution, American institutions, and American ideals and that we give our wholehearted support to our Congress and our State Department in our bipartisan international policy for a just and lasting peace, and that we reaffirm our stand on adequate preparedness in the air, on the sea, and on the land.

2. Courtesies: To Victor Vifquain Camp, No. 15, Department of Nebraska; to the management of the Clarke Hotel; to the Auxiliary to Victor Vifquain Camp, No. 15; and to the officers and people of the city of Hastings; we extend greetings and express our appreciation of their many courtesies and their assistance in making this forty-second encampment of the United Spanish War Veterans an outstanding success with pleasures long to be remembered. We especially express our thanks to our national commander, Hon. Charles R. Barefoot, for honoring our encampment with his presence and attendance for 3 days and for the two masterful and eloquent addresses which he delivered during his visit.

3. In appreciation: *Be it resolved*, That we in convention assembled, do express our thanks to the Nebraska State Legislature for its generosity in again approving the appropriations of funds for the relief of Spanish War veterans and their dependents and the maintenance of a permanent headquarters in the State capitol at Lincoln. We are sure

that each succeeding legislature has realized the real worth of this fund for Spanish War veterans; and, we again thank you.

4. Americanism: Americanism is an un-falling love of country; loyalty to its institutions and ideals; eagerness to defend it against all enemies; undivided allegiance to the flag and a desire to secure the blessings of liberty to ourselves and posterity. Be it resolved; we deplore the tendency now prevailing in this country toward internationalism and adopting the philosophy of foreign governments; instead we emphasize the necessity of teaching to our youth the principles and ideals of our way of life embodied in our Constitution and the above declaration.

5. Capitalism versus communism: We invite the attention of the world to the philosophy upon which our Government is founded, cementing the American people in the framework of organized society on the basis of a capitalistic system as opposed to the doctrine of communism. The term capitalistic as herein used is defined as democracy devoted to the development and protection of the individual and maintenance of his individual rights and personal freedom. The capitalistic system encourages the individual to work. Communism encourages him to shirk. Capitalism builds. Communism frustrates and retards. Capitalism extols the individual. Communism evaluates the individual as naught. Capitalism is a means of accumulation. Communism is a means of dissipation. Capitalism makes for security. Capitalism is a means that what you honestly acquire is yours. Communism is a means of licensed thievery and pillage. Communism means that nothing is yours since you are nothing. We urge American people to purge communism as they would a plague, and hold steadfastly to an ideology based on truth, morality, and righteousness, the application of which virtues has enabled the American people to attain a goal toward which all peoples of the world may well strive in their efforts to attain a status of prosperity and well-being unequalled elsewhere in the world.

6. Military training: We favor military training to be carried on under the designation "defense military training" since such designation more accurately indicates the purpose and extent of the security of our Nation which we need to maintain. Such training should extend over age groups which will least interfere with preparation and training for civic activities and be sufficiently thorough to develop effective and lasting efficiency, rather than a means of meeting immediate emergency.

Military training should be required of every able-bodied male student in all United States land-grant colleges and in all or any colleges receiving financial aid from the Federal Government.

7. *Be it resolved*, That a copy of these resolutions be spread upon the proceedings of this encampment and copies be furnished to the following: The Hastings Daily Tribune, the Lincoln Daily Star and the Lincoln State Journal, the Omaha World Herald at Omaha, the National Tribune in Washington, D. C., the Veterans' Weekly at Lincoln, national headquarters of the United Spanish War Veterans at Washington, D. C., Administrator of Veterans' Affairs, Washington, D. C., Nebraska Representatives and Senators in the National Congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGRATH, from the Committee on the District of Columbia:

S. 885. A bill to provide for the removal of weeds from lands in the District of Columbia, and for other purposes; with amendments (Rept. No. 370);

S. 1557. A bill to provide for the appointment of an additional judge for the juvenile court of the District of Columbia; without amendment (Rept. No. 367);

S. 1580. A bill concerning common-trust funds and to make uniform the law with reference thereto; without amendment (Rept. No. 368); and

H. J. Res. 200. Joint resolution to authorize the National Capital Sesquicentennial Commission to proceed with plans for the celebration and commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia, and for other purposes; without amendment (Rept. No. 369).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 1384. A bill to authorize the transfer of a tower located on the Lower Souris National Wildlife Refuge to the International Peace Garden, Inc.; without amendment (Rept. No. 371).

REPORT OF JOINT COMMITTEE ON LABOR-MANAGEMENT RELATIONS RELATING TO TVA (REPT. NO. 372)

Mr. MURRAY. Mr. President, from the Joint Committee on Labor-Management Relations, I submit, pursuant to Senate Concurrent Resolution 10, Eighty-first Congress, a report relating to the Tennessee Valley Authority.

The VICE PRESIDENT. The report will be received and printed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. HOLLAND (for himself and Mr. PEPPER):

S. 1840. A bill to authorize the Secretary of the Air Force to improve recreational facilities at Eglin Field, Fla.; to the Committee on Armed Services.

S. 1841. A bill to authorize restocking, propagation, and conservation of game in the Eglin Field Reservation; to the Committee on Interstate and Foreign Commerce.

By Mr. McMAHON:

S. 1842. A bill to authorize the admission into the United States of certain aliens possessing special skills; to the Committee on the Judiciary.

(Mr. TYDINGS, from the Committee on Armed Services, reported an original bill (S. 1843) to convert the National Military Establishment into an executive department of the Government, to be known as the Department of Defense; to provide the Secretary of Defense with appropriate responsibility and authority, and with civilian and military assistance adequate to fulfill his enlarged responsibility; and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. WILEY:

S. 1844. A bill for the relief of Bror Rainer Heikel; to the Committee on the Judiciary.

By Mr. CAIN:

S. 1845. A bill for the relief of Russell M. French; to the Committee on the Judiciary.

By Mr. BYRD:

S. 1846. A bill for the relief of Jeannette Pasayannis; to the Committee on the Judiciary.

(Mr. CAIN introduced Senate Joint Resolution 91, relating to Father's Day, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

FATHER'S DAY

Mr. CAIN. Mr. President, I introduce for appropriate reference a joint resolution relating to Father's Day.

All of us are aware that Father's Day occurs this year on June 19. This is the day in which we pause, for a short time, to pay homage to the man who plugs along, patiently, uncomplainingly, and happily, day after day, week after week, year after year, paying the bills, providing for his family's wants, its needs, and its luxuries.

I should like to remind the Senate, with considerable pride, that this highly deserved honor to the Nation's fathers, originated in my State, the State of Washington.

In 1910 Mrs. Bruce Dodd, of Spokane, Wash., suggested the idea to a Spokane newspaper reporter as a tribute to her father, William J. Smart. Her suggestion was adopted by the local ministerial association and the YMCA and together they sponsored the first Father's Day on June 3 of that year.

In 1914 the Congress recognized Father's Day as a national holiday, but when World War I intervened the idea was abandoned until 1922. Since that time Father's Day has been proclaimed a national holiday the third Sunday in June each year.

The joint resolution (S. J. Res. 91) relating to Father's Day was read twice by its title and referred to the Committee on the Judiciary.

ADDITIONAL REVENUE FOR THE DISTRICT OF COLUMBIA—AMENDMENTS

Mr. JOHNSTON of South Carolina submitted amendments intended to be proposed by him to the bill (H. R. 3704) to provide additional revenue for the District of Columbia, which were ordered to lie on the table and to be printed.

Mr. JOHNSTON of South Carolina (for himself and Mr. NEELY) submitted an amendment intended to be proposed by them, jointly, to House bill 3704, supra, which was ordered to lie on the table and to be printed.

APPROPRIATIONS FOR CIVIL FUNCTIONS ADMINISTERED BY DEPARTMENT OF THE ARMY—AMENDMENT

Mr. WITHERS submitted an amendment intended to be proposed by him to the bill (H. R. 3734) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

RECOMMITTAL OF POSTMASTER NOMINATION

Mr. JOHNSTON of South Carolina. Mr. President, on the 10th instant I reported favorably the nomination of William O. Jones to be postmaster at Delmont, S. Dak. As in executive session, I ask unanimous consent that the nomination be taken from the Executive Calendar and recommitted to the committee for further investigation.

The VICE PRESIDENT. Without objection, the nomination will be taken from the Executive Calendar and recom-

mitted to the Committee on Post Office and Civil Service.

ADDRESS BY SENATOR JOHNSTON OF SOUTH CAROLINA BEFORE ASSOCIATION OF RETIRED CIVIL EMPLOYEES

[Mr. JOHNSTON of South Carolina asked and obtained leave to have printed in the RECORD the address delivered by him before the Association of Retired Civil Employees at Washington, D. C., on May 7, 1949, which appears in the Appendix.]

THE CASE FOR NATIONAL HEALTH INSURANCE—ARTICLE BY SENATOR HUMPHREY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "The Case for National Health Insurance," written by Senator HUMPHREY and published in the New York Times Magazine of May 8, 1949, which appears in the Appendix.]

SENATOR BYRD—EDITORIAL COMMENT

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "More Byrds Needed," published in the Washington Daily News of May 10, 1949; also an editorial entitled "Senator Byrd Peers Ahead," published in the Wilmington, (Del.) Journal of May 9, 1949, which appear in the Appendix.]

VETERANS' CARE—EDITORIAL FROM THE CHARLESTON (W. VA.) GAZETTE

[Mr. NEELY asked and obtained leave to have printed in the RECORD an editorial entitled "Veterans' Care," published in a recent issue of the Charleston (W. Va.) Gazette, which appears in the Appendix.]

SECRETARY BRANNAN'S FARM PLAN—EDITORIALS FROM THE NEBRASKA FARMER

[Mr. BUTLER asked and obtained leave to have printed in the RECORD two editorials from the Nebraska Farmer for May 7, 1949, one entitled "Bugs in Brannan's Farm Plan," and the second an editorial signed by the editor, Sam R. McKelvie, which appear in the Appendix.]

THE UNITED NATIONS AND SPAIN—EDITORIAL FROM THE NEW YORK TIMES

[Mr. FLANDERS asked and obtained leave to have printed in the RECORD an editorial entitled "The UN and Spain," from the New York Times of May 12, 1949, which appears in the Appendix.]

THE SALESMAN AND THE POLITICIAN—ADDRESS BY WILLIAM BENTON

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address entitled "The Salesman and the Politician," delivered by Mr. William Benton, former Assistant Secretary of State, publisher of the Encyclopedia Britannica and chairman of the Muzak Corp., before the Sales Executives Club of New York, April 19, 1949, which appears in the Appendix.]

IRAQ URGED AS REFUGE FOR ARAB REFUGEES—ARTICLE BY ELIAHU BEN-HORIN

[Mr. BREWSTER asked and obtained leave to have printed in the RECORD an article entitled "Iraq Urged as Refuge for Arab Refugees," written by Eliahu Ben-Horin for the Christian Science Monitor, which appears in the Appendix.]

DEDICATION TO ECONOMY CALLED SOLE ALTERNATIVE TO DEBT RISE—ARTICLE BY MARK SULLIVAN

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an article entitled "Dedication to Economy Called Sole

Alternative to Debt Rise," written by Mark Sullivan, and published in the New York Herald Tribune, May 11, 1949, which appears in the Appendix.]

ATOMIC ENERGY COMMISSION
FELLOWSHIPS

Mr. HOEY. Mr. President, a few days ago I received a letter from a very fine GI student at the University of North Carolina, advising me that a rabid Communist from another State had received a scholarship through the Atomic Energy Commission at the University of North Carolina and was working on his doctor's degree in nuclear physics. This patriotic young North Carolinian was very much disturbed that our Government was awarding scholarships through the Atomic Energy Commission to Communists.

I immediately wrote a letter to Dr. David E. Lilienthal, Chairman of the Atomic Energy Commission, and stated all of the facts and gave the name of the Communist student, and asked what was the policy of the Commission with reference to making any loyalty tests or requiring any information before these fellowship awards were made.

I received a long letter from Dr. Lilienthal, which I ask to have inserted in the body of the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
ATOMIC ENERGY COMMISSION,
Washington, D. C., May 5, 1949.

HON. CLYDE R. HOEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HOEY: This is in reply to your letter of April 25, 1949, asking that you be advised as to what steps are taken to determine whether or not Communists are being selected and granted fellowships by the Atomic Energy Commission.

In establishing our fellowship program it was our desire to help overcome the acute shortage of scientific personnel in fields of study related to the development of atomic energy. It was realized that this shortage not only applies to the facilities of the Atomic Energy Commission but also to the broad field of private endeavor in atomic energy. For example, at the present time there are a number of universities and similar institutions of high standing which are most anxious to enter this field but which cannot do so because scientists skilled in the handling of radioactive materials are not available.

In view of its long and distinguished record in such work, the National Research Council was selected for the administration of the Atomic Energy Commission fellowship program. It was felt that the fellowship programs would benefit from the council's long experience in this field and, at the same time, the Commission would be freed from the burdens of detailed administration. In order to assure the selection of well-qualified fellows, the National Research Council has established fellowship boards which review the applications received for Atomic Energy Commission fellowships. The membership of these fellowship boards is as follows:

PREDOCTORAL FELLOWSHIP BOARD IN THE
BIOLOGICAL SCIENCES

Douglas Whitaker, chairman, professor of biology, dean of the School of Biological Sciences, Stanford University, California.

Eric G. Ball, professor of biochemistry, Harvard Medical School, Cambridge, Mass.

J. H. Bodine, professor of zoology, University of Iowa, Iowa City, Iowa.

Howard B. Lewis, professor of biological chemistry, University of Michigan, Ann Arbor, Mich.

Raymond E. Zirkle, professor of botany, director of the Institute of Radiobiology and Biophysics, University of Chicago, Chicago, Ill.

POSTDOCTORAL FELLOWSHIP BOARD IN THE
MEDICAL SCIENCES

Homer W. Smith, chairman, professor of physiology and director of Physiological Laboratories, New York University College of Medicine, New York, N. Y.

Austin M. Brues, director, Biology Division, Argonne National Laboratory, Box 5207, Chicago, Ill.

Sam L. Clark, professor of anatomy and associate dean, Vanderbilt University School of Medicine, Nashville, Tenn.

Hymer Louis Friedell, professor of radiology, Western Reserve University, Cleveland, Ohio.

Joseph G. Hamilton, associate professor of experimental medicine and radiology, associate professor of medical physics, Crocker Laboratory, University of California, Berkeley, Calif.

Roy R. Kracke, dean, clinical medicine, Medical College of Alabama, Birmingham, Ala.

POSTDOCTORAL FELLOWSHIP BOARD IN BIOLOGY
AND AGRICULTURE

R. G. Gustavson, chairman, chancellor, University of Nebraska, Lincoln, Nebr.

H. K. Hartline, professor of biophysics, Johnson Research Foundation, University of Pennsylvania, Philadelphia, Pa.

G. Evelyn Hutchinson, professor of zoology, Yale University, New Haven, Conn.

W. J. Robbins, professor of botany, Columbia University, director of New York Botanical Gardens, New York, N. Y.

L. J. Stadler, professor of field crops, University of Missouri, Columbia, Mo.

PREDOCTORAL FELLOWSHIP BOARD IN THE
PHYSICAL SCIENCES

Henry A. Barton, chairman, director, American Institute of Physics, New York, N. Y.

John C. Ballar, Jr., professor of chemistry, University of Illinois, Urbana, Ill.

Tom W. Bonner, professor of physics, Rice Institute, Houston, Tex.

William J. Buchta, professor of physics and chairman, department of physics, University of Minnesota, Minneapolis, Minn.

G. A. Hedlund, professor of mathematics, Yale University, New Haven, Conn.

Charles G. Price, professor of chemistry and head, department of chemistry, University of Notre Dame, Notre Dame, Ind.

POSTDOCTORAL FELLOWSHIP BOARD IN THE
PHYSICAL SCIENCES

Roger Adams, chairman, professor, and head, department of chemistry, University of Illinois, Urbana, Ill.

Carl D. Anderson, professor of physics, California Institute of Technology, Pasadena, Calif.

Kenneth T. Bainbridge, professor of physics, Harvard University, Cambridge, Mass.

George Glockler, professor of physical chemistry and head, department of chemistry and chemical engineering, the State University of Iowa, Iowa City, Iowa.

William W. Rubey, principal geologist, United States Geological Survey, Washington, D. C.

Marshall H. Stone, Andrew MacLeish distinguished service professor of mathematics, and chairman, department of mathematics, University of Chicago, Chicago, Ill.

These fellowship boards were chosen by the National Research Council particularly with a view to their ability to evaluate the scientific promise and moral character of

prospective fellows. In considering applications, the fellowship boards have before them confidential reports on the candidate which are received from men of proved scientific ability who are familiar with the candidate and in whom the fellowship boards have confidence. In addition, in the case of the postdoctoral fellowships in the medical sciences, the candidate is also interviewed by a member of the fellowship board. In the deliberations of the fellowship boards, we understand that careful consideration is given to the question of character.

Before any fellow is given access to restricted data as defined in the Atomic Energy Act of 1946, or permitted to work on a Commission project where security clearance is normally required, the usual Atomic Energy Commission security clearance must be obtained.

On the other hand, if the fellow does not have access to restricted data and does not work on a Commission project where security clearance is normally required, it is our policy that security clearance need not then be obtained. Some of the reasons underlying this policy are enumerated below:

(a) The Commission has confidence in the methods of selection followed by the National Research Council, which are in line with the experience accumulated by the Council over the last 25 years in handling National Research Council fellowships.

(b) To a large extent the work to be done under the fellowships will not involve access to restricted data, and the fellows will receive training in fields which are and will remain proper fields for unclassified work in which security clearance will not be necessary.

(c) The requirement for full background investigation and security clearance would place a heavy administrative burden on the fellowship program, and such a requirement appears inadvisable except where it will genuinely serve the interests of security.

As stated above, it is our policy that fellows are required to obtain Atomic Energy Commission security clearance only when they have access to restricted data or will work at classified projects. Although there is a small possibility of a fellow being barred from certain work after he has received his fellowship, we have, after careful consideration, decided that the interests of the fellowship program as a whole will best be served by this policy. We feel that in so doing we will obtain better qualified fellows and achieve fuller cooperation from the scientific community of this country than would be the case if we adopted the principle of requiring security clearance at a time when the fellows will not have access to restricted data. Security investigations are costly and the cost of these investigations will be kept to a minimum when they are carried out only when the particular person is to have access to restricted data. It is probable that many of the fellows will always be engaged in unclassified work so that the cost of security investigations to them would well be an unnecessary expense to the Government if undertaken prior to the award of the fellowship. The Commission realizes that it is necessary to strike a satisfactory balance between the traditional ideals of scientific freedom which are essential to productive thought within the framework of democracy and the special requirements which must be observed in the Atomic Energy Commission program. As the program develops we will be constantly alert to any conditions which may indicate an alteration in this security policy.

We shall be glad to furnish you with further information on this subject if you desire.

Sincerely yours,
DAVID E. LILIENTHAL,
Chairman.

Mr. HOEY. The substance of this letter is, that these scholarships are awarded through distinguished groups of educators made up from different institutions, and that they pay special attention to ability and character in recommending these students for scholarships, but they do not screen the students for loyalty and have no investigation made of the students who receive these awards.

I do not know how much character investigation is made, but this Communist who received the scholarship and is now working on his degree at the University of North Carolina was one of the sponsors for John Gates, one of the 12 indicted Communists in New York, when Gates made his visit to the university and sought to speak there. This Communist student is very officious in publicizing his doctrines in the campus newspaper.

I think Senators will be amazed to know that the money of the taxpayers is being used to provide scholarships for known Communists through the Atomic Energy Commission.

There is a suggestion in Dr. Lillenthal's letter that if the time comes when restricted data is to be considered, that before these students are given access to this data, that there might be some investigation as to their loyalty. It seems to me that the Senate Atomic Energy Committee could well look into this situation. I am having this letter published here for the information of the Senators and the public.

ARMY ENGINEERS VERSUS BUREAU OF RECLAMATION

Mr. O'MAHONEY. Mr. President, I desire to call attention to an article in the current issue of the Saturday Evening Post, written by a former Governor of the State of Wyoming, Hon. Leslie A. Miller, who was the head of the committee under the Hoover Commission which investigated the reorganization of the Department of the Interior. Governor Miller is a man of great diligence and ability. The article which he has written for the Saturday Evening Post, Army engineers versus Reclamation Bureau: the Battle That Squanders Billions, is worthy of the attention of every Member of Congress who is concerned about the problem of saving expenditures of the Federal Government and eliminating the conflicts of overlapping bureaus.

I do not agree with everything Governor Miller said in this article. I believe, for example, that private utilities cannot provide the power the Nation needs if it is to develop industrially as it should. I believe that public power creates wealth and provides new sources of revenue for Government, Federal, State, and local. I believe that reclamation produces new wealth and new homes. I believe that flood control preserves property, which, of course, is the source of tax revenue. I believe that water is an essential resource of the arid land States which must be conserved and utilized. Nevertheless, these benefits should be attained without waste or extravagance. I think that can be done.

Governor Miller's article is a documented account of the competition between the Bureau of Reclamation, upon

the one hand, and the Army engineers, upon the other. It is a story of the manner in which these two agencies have been seeking to carry on the same work. I think it is an ideal argument in favor of action under the proposed Reorganization Act, which is on the calendar of the Senate, to authorize the President to abolish overlapping and duplication in the executive establishment.

Yesterday, in the discussion of the Treasury and Post Office bill, I had occasion to refer to the fact that President Truman appointed former President Hoover to head the group which made this study. So we have before us a bill which is endorsed by the only living ex-President and by the present President of the United States. There is undoubtedly opportunity to save waste of public funds by proceeding with the reorganization of the Bureau of Reclamation and the Army engineers.

I should like to have the RECORD show that, as chairman of the Committee on Interior and Insular Affairs, I have already taken the position that the committee should undertake and will undertake a thoroughgoing study of all the activities of the Bureau of Reclamation. I have notified the Secretary of the Interior and the officials of the Bureau of Reclamation that the work will be done. I may say that those who are interested in the proposals for valley authorities will also find in this article by Governor Miller a great deal of valuable information.

DISTRICT OF COLUMBIA REVENUE BILL

The Senate resumed the consideration of the bill (H. R. 3704) to provide additional revenue for the District of Columbia.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON] for himself and the Senator from West Virginia [Mr. NEELY].

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk an amendment to the pending bill, which I shall call up at a later time. I ask that the amendment be printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to read into the RECORD a telegram which I received this morning concerning the pending bill. It is signed by Ralph E. Himstead, general secretary of the American Association of University Professors, 1101 Connecticut Avenue NW., Washington, D. C. The telegram reads as follows:

WASHINGTON, D. C., May 11, 1949.
HON. OLIN D. JOHNSTON,
Senate Office Building,
Washington, D. C.:

Reference pending District of Columbia sales-tax bill H. R. 3704. Section 18 of this bill defines educational institutions as those with student-teacher relationship. American Association of University Professors which publishes a quarterly magazine of higher education which is sent to its 33,000 members, urges that section 18 and related sections H. R. 3704 be amended to include as exempt from sales tax the publications of nonprofit educational associations. Such nonprofit educational associations with central offices in Washington,

D. C., are the Association of American Colleges, the American Association of Junior Colleges, and the American Council on Education, of which latter organization the American Association of University Professors is a constituent member.

RALPH E. HIMSTEAD,
General Secretary, American Association of University Professors.

So, Mr. President, I have read this telegram in order that it may appear in the RECORD.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield for a question.

Mr. SALTONSTALL. I should like to preface the question by a brief statement, saying to the Senator from South Carolina that earlier today I have filed an amendment to cover the point brought out in the telegram the Senator from South Carolina has just read. My question is this: As I understand the parliamentary situation, if the amendment of the Senator from South Carolina prevails, there will be no opportunity to offer any amendments to the bill in its original form. I have not taken up this matter with the Senator from Rhode Island [Mr. McGRATH], who is in charge of the bill; but I wonder whether the Senator from South Carolina would be willing to let the amendment which is designed to take care of the situation regarding the publications of scientific institutions, and proposing the insertion of the word "scientific" in section 18, be taken up at this time, if the Senator from Rhode Island would be willing to accept it.

The VICE PRESIDENT. The Chair might suggest to the Senator from Massachusetts that amendments offered to the original text, which the amendment of the Senator from South Carolina seeks to strike out, would be in order and would be voted upon prior to the vote on the substitute.

Mr. McGRATH. Mr. President, do I correctly understand that the Senator from Massachusetts has offered such an amendment?

The VICE PRESIDENT. He has presented an amendment, to be printed and lie on the table. He has not actually offered it.

Mr. JOHNSTON of South Carolina. Mr. President, let us understand the situation. My amendment would not take care of the situation referred to in the telegram. I understand that the Senator from Massachusetts is ready to submit at this time an amendment which will clarify that situation.

Mr. McGRATH. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield if I may do so without losing my rights to the floor.

Mr. McGRATH. I think the committee would be happy to accept an amendment in the form or of the nature of the one I discussed yesterday with the Senator from Massachusetts. If the Senator from South Carolina and the Senator from Massachusetts will get together during the afternoon and will see whether they can agree on the amendment, I am quite sure there will be no objection on the part of the committee. There was no intention in respect to the original bill to exclude scientific and educational

and religious organizations from the tax-exempt status they now enjoy. I understand that some of them feel that by inference, because of a failure of the bill to state a specific exemption for them, they would be included under a tax status. I myself do not believe the pending proposed legislation would affect them at all, or, if so, more than very, very little. At any rate, I would be willing to accept the amendment referred to.

Mr. SALTONSTALL. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. Yes; if I may do so without prejudicing my rights to the floor.

Mr. SALTONSTALL. Let me say, Mr. President, that I appreciate the statement the Senator from Rhode Island has made. I ask the Senator from South Carolina whether he will be willing to permit me to offer the amendment at this time. The amendment would simply add the word "scientific" after the word "religious" on page 8, in line 7; and on page 12, in line 8, after the word "newspapers", it would insert "and publications of semipublic institutions as defined in section 18"—which concerns the exact publications referred to in the telegram which has just been read by the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I have no objection, provided I do not lose my rights to the floor.

The VICE PRESIDENT. The Senator would not lose the floor, and the amendment can be offered after the Senator from South Carolina has concluded.

Mr. JOHNSTON of South Carolina. Mr. President, I noticed in the Evening Star of yesterday an editorial which did not speak very favorably of my friend the Senator from Vermont [Mr. FLANDERS]. The editorial stated that he had made the statement that the minority report on this bill was more sensible and constructive than the majority report. The writer of the editorial made some comments in that connection, and I shall read some of the editorial at this time, in order that the Senate may understand the statements it makes:

If such men as Senator FLANDERS are impressed by this minority report, it is high time that it be examined as to the facts. This minority report involves the substitute plan for raising local revenue that is favored by Senator JOHNSTON of South Carolina as an alternative to the sales tax.

One of its major premises is this: "The per capita tax burden in the District is the lowest of all the 18 cities in the United States having populations of more than 500,000, and we are told that only the sales tax is left to be taxed for additional revenue. These facts make it clear that the claims made by the proponents of the sales tax are absurd."

Where in the world did Senator JOHNSTON get any such statistics? The Census Bureau's comparison of the nine cities of the United States between 500,000 and 1,000,000 population ranks the District next to the highest—Boston—in per capita revenue. Boston's revenue per capita of \$102.98 compares with Washington's \$80.70. Pittsburgh, last of the list, is \$27.71. One reason for Boston's high tax burden is a bonded debt of \$129,000,000—compared with the absence of bonded debt in Washington. Somebody in the Senate should request Senator JOHNSTON to explain in detail the source of his

figures on Washington's tax burden. His conclusions, in this respect, are absurd.

I wish to read into the RECORD some statistics coming from the United States Department of Commerce, Bureau of Census, under the heading "Government of City, Levies Per Capita." From the table there presented it will be found that for 1940, the figure for Washington was \$35.71; for Baltimore, \$40.14; Boston, \$74.48; Buffalo, \$64.29; Cleveland, \$43.78; Milwaukee, \$56.34; Pittsburgh, \$59.78; San Francisco, \$51.33; St. Louis, \$35.34. That is where I received my information.

I should also like to state that I am not surprised that the newspapers favor a sales tax. A mere glance at the bill would disclose that they would pay no tax at all. They would not pay any sales tax. They get out of paying a sales tax under the pending bill. It is my understanding that there was something in the bill on the subject when the hearings were first being held, but when introduced, in some way it was left out of the bill. I am preparing an amendment to make it so that the newspapers will probably pay their pro rata share of the taxes.

Mr. NEELY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from West Virginia?

Mr. JOHNSTON of South Carolina. I yield.

Mr. NEELY. May I inquire of the able Senator from South Carolina whether his amendment will be worded so as to require the Star to pay a 2-cent consumer sales tax on every dollar's worth of papers sold within the District of Columbia?

Mr. JOHNSTON of South Carolina. It is my intention to have it drawn in that manner.

Mr. NEELY. Does the Senator believe that the very highly esteemed Star, or any other newspaper, will be enthusiastic about a sales tax when it finds it will be required to pay it?

Mr. JOHNSTON of South Carolina. I doubt it very much.

Mr. NEELY. So do I.

Mr. McGRATH. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Rhode Island?

Mr. JOHNSTON of South Carolina. I yield.

Mr. McGRATH. I may say for the benefit of the Senator, to save him some time in preparing his amendment, that any sale to newspapers, within the District of Columbia, would be subject to the tax, if the contract were made in the District of Columbia. If not, it is subjected to the tax at the place where the contract is made. That is the only constitutional way in which the tax can be imposed.

Mr. HUNT. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Wyoming?

Mr. JOHNSTON of South Carolina. I am glad to yield to the Senator for a question only.

Mr. HUNT. I should like to say to the Senator that since our conversation yesterday, I have noted carefully, on page 13, lines 4, 5, and 6, which reads as follows:

Sales which a State would be without power to tax under the limitations of the Constitution of the United States.

I believe newspapers would almost necessarily be considered to be within interstate commerce, and I think under that clause they would be exempt. I believe the same thing is true in regard to radio.

Mr. JOHNSTON of South Carolina. Would that be true, even if they were published in a city and sold in the State where the city is located?

Mr. HUNT. No; that would not be interstate commerce; that would be intrastate.

Mr. JOHNSTON of South Carolina. That would be intrastate, and the tax could certainly be imposed. That is my interpretation. If published and sold within the District the newspapers could be taxed. Continuing, the editorial says:

The minority report also makes the astonishing statement that a local income tax, touching everybody who lives here and increasing the rates, would yield \$15,000,000 a year additional.

I do not know the basis of that statement. It is not in the report. If one will only pick up the report and read it, he will find that there is nothing in the report to the effect that the particular bill I have introduced would raise that much. There is in the District a source of revenue from personal incomes from which that amount could be obtained; there is no question in my mind about that.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. NEELY. Does not the Senator point out in the minority report a way by which the additional \$15,000,000 could be obtained?

Mr. JOHNSTON of South Carolina. We go into detail in regard to all the different income brackets.

Mr. NEELY. This question is based on the observation of the distinguished and beloved Senator from Rhode Island (Mr. McGrath). Regardless of what the constitutional law of the matter may be, does the Senator believe that the newspapers, which are enthusiastically urging that a 2-percent sales-tax curse be imposed upon the poverty-stricken and those in the slum districts who are on governmental relief, would raise any legal question about the right of Congress to level a tax of 2 cents on every dollar's worth of newspapers local publishers might sell here? Does not the Senator think that these newspaper proprietors are so patriotic and so devoted to this principle of taxation that, no matter what burden the tax might impose upon them, they would gladly pay it and greatly rejoice in the rare privilege of being among the victims of the sales-tax abomination?

Mr. JOHNSTON of South Carolina. From the editorials which have been written and the positions taken by the

newspapers, it looks as though they would certainly be glad to go along with the rest of the people, especially the poor people of the District, and pay a 2-percent sales tax.

Mr. McGRATH. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Rhode Island?

Mr. JOHNSTON of South Carolina. I yield.

Mr. McGRATH. In his inquiry of the Senator from South Carolina, the Senator from West Virginia speaks about newspapers being willing to pay the tax on their sales. Does he mean the weekly subscription to a newspaper which is delivered to one's home? Is that what the Senator from West Virginia would want to have included in the bill?

Mr. NEELY. Mr. President may I answer the Senator—

Mr. JOHNSTON of South Carolina. I have no right to allow the Senator from West Virginia to answer the question unless by unanimous consent. I should probably lose the floor.

Mr. McGRATH. I ask unanimous consent that these questions will not affect the right of the Senator from South Carolina to the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina. I should be glad to answer the Senator myself, if it is desired.

The VICE PRESIDENT. The Senator from South Carolina can answer it himself.

Mr. JOHNSTON of South Carolina. I should be glad to answer it myself.

Mr. McGRATH. I merely want to point out to Members of the Senate that this is a sales tax. It is a tax upon the buyer, not a tax upon the seller. So when the Senator talks about newspapers being taxed on the papers they sell, I think that probably would be all right with the newspapers, because they would not have to pay the tax. It is the man who buys the daily newspaper who has to pay the tax. It is a sales tax applied to the purchaser, not a sales tax applied to the seller. Of course the newspapers have to pay a sales tax upon any materials they buy for their printing establishments, such as paper, type, machinery, automobiles, and everything else that goes into the manufacturing of a newspaper within the District of Columbia, but it is not within our power constitutionally to make a tax apply to anything in interstate commerce.

Mr. JOHNSTON of South Carolina. Mr. President, we realize that in this particular sales tax something is being done that probably does affect interstate commerce. People come here from other States and purchase something and carry it back. It is sold in the District. Then, if a person comes from a State in which there is a sales tax, and buys the article somewhere else, there is a provision in the bill in regard to that.

Mr. McGRATH. Yes, there is the use tax.

Mr. JOHNSTON of South Carolina. There is the use tax. It is a matter of reciprocity between the States. If the

States want reciprocity, would they not be willing to have reciprocity, letting the large newspapers with their millions of dollars pay their pro rata share of the taxes, also, the same as the little fellow who comes across the District line?

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. McGRATH. The use-tax provision contained in the bill has been determined to be a constitutional exercise of power as between the States. It is in the nature of a reciprocity agreement. There is nothing unconstitutional about it, and we should be very happy to extend it even beyond the confines of the bill, as the Senator would no doubt like to do if a constitutional way of doing it could be found.

Mr. JOHNSTON of South Carolina. I believe the Senator acknowledges, however, that the sales tax can certainly be charged within the District without any trouble. Many newspapers pay sales taxes.

Mr. McGRATH. Yes; we could charge a sales tax on newspapers, but we would not be taxing the newspapers; we would be taxing the home owner who buys the newspaper, because the tax is not applied to the seller. The tax is applied to the buyer.

Mr. JOHNSTON of South Carolina. I may ask the Senator, Who is to be taxed under the bill if not the home owners and the people who live outside the District and who buy clothing, for example, within the District? Everybody lives in a home and buys articles of necessity—

Mr. McGRATH. I should like to say to the Senator that his alternative for this proposal is one that would raise the rent of every rent-paying person in the District of Columbia far beyond any amount that he would conceivably pay under the pending sales-tax proposal. It would raise the rate of real-estate taxation within the District, and, under the District rent-control law, such an increase is automatically passed on to the tenant, and the proposal of the Senator for an increase in real-estate taxation would result in an increase of rent for every rent payer in the District of Columbia far beyond what the ordinary worker would pay in the course of a year if the sales tax were applied to the items which he purchases out of his salary in the course of a year.

Mr. JOHNSTON of South Carolina. Mr. President, I am asking only that they be required to pay 2 percent on the \$15 which they charge in the District. The cost of a subscription for 1 month is \$1.20. Let them pay 2 percent of that.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. McGRATH. The Senator is saying, as I understand, that the subscriber to a newspaper on a yearly basis should be subjected to the tax.

Mr. JOHNSTON of South Carolina. The newspaper company ought to pay for whatever it sells, just as anyone else does.

Mr. McGRATH. I again want to say that nowhere in the bill are we apply-

ing a tax against the seller. It is applied only against the purchaser.

Mr. JOHNSTON of South Carolina. The merchant is held responsible for the collection of the tax on anything he sells. I am asking only that the newspaper company be held responsible also.

Mr. McGRATH. Does the Senator want to go on record as saying that he favors an amendment to the bill which would require every subscriber to a newspaper to pay the tax, provided the newspaper company itself would be the collector of the tax? Is that what the Senator is suggesting?

Mr. JOHNSTON of South Carolina. When the amount of sales in the District is averaged up, let the company pay the sales tax.

I continue reading from the editorial:

Where did he get those figures. Out of thin air? Let the Senator explain the source of his estimates to the Senate.

Careful estimates of the yield of such an income tax indicate that the District would receive about \$8,000,000 additional. But everybody, including Senator JOHNSTON, knows that Congress is not going to approve such a local income tax. It has failed of approval repeatedly in the House and it would be killed again today.

There was a close call in the House. They passed it, then killed it, and played around with it in two or three ways.

But if it were approved, it would not produce the needed revenue. To help produce it, Senator JOHNSTON proposes adding another 12 percent to the 30-percent increase in real-estate taxes that has taken place in the past 2 years, and working both sides of the street, so to speak, he couples his erroneous statement to the Senate concerning Washington's low tax burden with the pious demand that the United States increase its annual payment by 100 percent—something that Congress would refuse to do.

Senator JOHNSTON's tax plan would hit the "little fellow"—

I do not know how they explain that—

in the District harder than the majority tax plan. It is a plan based on highly questionable estimates of unknown source. It is full, in addition, of improbabilities. Before such men as Senator FLANDERS are ready to swallow it as "more sensible and constructive" than the majority plan, let them spend some time examining the estimates of yield, as well as the principles involved. Such examination may change their minds.

Mr. President, I notice the Star did not even mention another amendment which I have. I have an amendment which would increase the tax on wine, beer, and liquor 100 percent. The present tax on whisky is \$1.10 a gallon. My amendment would make it \$2.20 per gallon. How many persons who give big parties and buy high-priced whisky would know that they were paying approximately 45 cents more on a fifth of a gallon? The amendment which is at the desk will equalize things better than they are equalized today between Maryland, Virginia, and other States. I think we should take into consideration, when we are applying taxes, who is to pay the taxes. I am satisfied that not many children would have to pay the liquor tax. I am satisfied that even if a little less whisky should be sold it would probably be better for the Nation's Capital. The Star editorial did not mention this tax increase; it did not touch on it.

It will be noticed it did not even touch on the minority report, in which we ask that the Federal Government give more out of the Federal Treasury to the city of Washington. I think, with the high cost of living, the city is entitled to more than it received in 1930. While the expenses of the District have increased threefold, it will be found that we are today contributing only \$12,000,000. In our report we ask that the Federal Government pay an additional sum. We believe that at least \$7,000,000 more should be contributed to the District. The minority report was signed by four members of the committee, and in that report we said that \$7,000,000 should be added to the amount now paid to the District. I am satisfied in my own mind that the minority report is the better report of the two. I realize that the city needs more revenue. I am not one who believes that the only source from which we can raise additional revenue is a sales tax—not so long as the income tax in the District of Columbia is as low as it is today.

Mr. LONG. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Louisiana for a question.

Mr. LONG. What amount of money from income taxes is now going into the District treasury?

Mr. JOHNSTON of South Carolina. I think it is in the neighborhood of \$2,000,000. The return is ridiculously low at the present time.

(At this point Mr. JOHNSTON of South Carolina yielded to Mr. TYDINGS for the confirmation of certain routine nominations in the armed forces. At the request of Mr. TYDINGS, the proceeding was ordered to be printed in the RECORD at the conclusion of the remarks of Mr. JOHNSTON of South Carolina.)

Mr. JOHNSTON of South Carolina. Mr. President, I notice on the table I have in my hand that the estimated revenue available from taxes on individual incomes is \$4,200,000. That is the figure under the pending bill. Does that answer the Senator's question?

Mr. LONG. Yes.

Mr. JOHNSTON of South Carolina. That is what the pending bill will raise. The Senator will find that we are living in a very wealthy district.

Mr. HUNT. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Wyoming?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUNT. May I say to the distinguished Senator from South Carolina that that was included purposely and by design, for the simple reason that we wanted to relieve to the greatest possible extent those in the lower-income brackets? Most certainly an income tax starting with a thousand-dollar base would be a hardship on the low-income group.

Mr. LONG. What is the exemption?

Mr. HUNT. It is \$4,000 in the bill we present.

Mr. JOHNSTON of South Carolina. Mr. President, it is \$4,000, but there are other personal exemptions on top of that.

There is a personal exemption for the taxpayer, for his wife, children, or other dependents, above that, so that it might possibly run into an exemption of \$7,000. I think an exemption of \$500 is allowed for each dependent.

Mr. LONG. Will the Senator tell me how much income tax is being collected in the District as a whole at the present time?

Mr. JOHNSTON of South Carolina. I do not have that at my finger tips.

Mr. McGRATH. The District income tax was \$4,200,000 last year.

Mr. LONG. How did that compare with the income taxes collected by the Federal Government under the general Federal income tax?

Mr. McGRATH. We do not have figures on that, and they have no relationship with the revenue problems of the District.

I might say to the Senator that the proposal presently before the Senate will take a substantial number of persons off the income-tax roll in the smaller income-tax brackets, which is a principle for which I think we all stand. The personal exemption is \$1,000 for a single person, and \$2,000 for a married couple. The bill raises that, so that no person earning less than \$4,000 will have to pay a District income tax. I am quite sure the Senator from South Carolina does not disagree with that principle. It will result in a reduction of revenue from income-tax sources of something in excess of \$1,000,000. However, that money is made up by an addition to the unincorporated businesses tax, which will restore an equivalent amount of money. While it takes off the roll a great many taxpayers who are in the low-income brackets, it restores a great many others in the brackets above \$4,000, who heretofore have been exempt by reason of the fact that they claim residence elsewhere, though not paying taxes elsewhere.

Mr. JOHNSTON of South Carolina. It is true that the exemption is raised, but there are very few poor people paying income taxes under the present law. They have been left out, when they are given their exemptions for their wives, children, and dependents, it will be found. A very small percentage is paying any taxes now, so far as income taxes are concerned.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Rhode Island.

Mr. McGRATH. I am informed that by increasing the exemption to \$4,000, we remove 45,000 persons from the income tax rolls, and I regard any family with an income of less than \$4,000, in these days, as being included in the low-income tax brackets. I do not see how the Senator can conscientiously stand here and say that a bill which proposes to give relief to 45,000 persons takes hardly anyone off the rolls.

Mr. JOHNSTON of South Carolina. My statement is that so far as the low incomes are concerned, so far as those drawing around \$3,000 are concerned, they are already off the roll, under the present law. If a man has a wife and children to provide for, he is exempted. That is what I am talking about, not

that the Senator's bill does not let some more out. The bill does not let poor people out, they are already out, but it lets the man next higher up out, it lets the man who is drawing a salary of \$15,000 out. That is what it does, and that is where it hits. The bill does not help the lower-bracket people.

Mr. McGRATH. The record shows we are helping 45,000 taxpayers by taking them off the roll.

Mr. JOHNSTON of South Carolina. The bill helps 45,000, if the statement is correct, but it will be found it is in the salary brackets around \$5,000, \$6,000, \$7,000, and \$8,000, that people are being let out.

Mr. McGRATH. We cannot let out anyone drawing over \$4,000.

Mr. JOHNSTON of South Carolina. The bill exempts those receiving under \$4,000.

Mr. McGRATH. And their dependents.

Mr. JOHNSTON of South Carolina. If a man has five children, add five times five.

Mr. McGRATH. Making \$6,500.

Mr. JOHNSTON of South Carolina. A \$6,500 salary. With other deductions, it will probably run up to \$8,000 or \$9,000. So persons in those brackets are let out.

Mr. McGRATH. I thought the Senator was trying to make an appeal for those in the low-income tax brackets.

Mr. JOHNSTON of South Carolina. I am looking after the person receiving from \$3,500 down. Practically every one of them is paying no income tax today, if they have wives or children or dependents. With the gifts and other deductions, they are paying no tax. Anyone who knows anything about income taxes knows that. So the bill lets out only those drawing between perhaps \$3,500 and \$4,000, going on up to \$8,000, and perhaps even the \$10,000 man.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUNT. I should like to ask the distinguished Senator from South Carolina if he does not feel that the Federal Government is doing a very thorough job in taking care of those in the higher income brackets with reference to income taxes.

Mr. JOHNSTON of South Carolina. I answer the Senator by saying that so far as the Federal Government is concerned, in its particular way of taxation, it is not taxing too much those in the higher brackets, in comparison with what it is taking from the lower bracket people. If I had anything to do with it, I would put a little more tax on those in the top brackets and let out more of those in the lower brackets. That is what I would do with the taxes, as they now stand, and it would raise the same amount of money.

Mr. HUNT. With reference to equalizing taxes as between the low income group and the higher income group, speaking specifically about the sales tax, does not the Senator understand that those in the higher income groups, under the proposed sales tax we have submitted, will pay 10.50, and even 100 times greater amounts in sales taxes than will those

in the lower income groups, and would do it in this way? If the Senator from South Carolina is in position to and wishes to purchase for Mrs. Johnston a mink coat for, let us say, \$3,000, he will pay a \$60 tax. But in my circumstances, if I care to purchase for Mrs. Hunt a \$30 coat, I will have to pay a 60-cent tax. The Senator from South Carolina would pay 100 times more tax on his purchase than I would pay on mine. The same principle applies to practically everything purchased in the District of Columbia today by those in the higher income brackets as compared to purchases made by those in the lower income brackets.

Mr. JOHNSTON of South Carolina. The Senator from Wyoming speaks of the purchase of a mink coat. Why pick out a mink coat? How many people buy mink coats in Washington? I should say very few. I doubt whether very many mink coats are bought in the city of Washington. Most of those who wish to have mink coats, that is the rich, go to New York, to the fur market, and pick out the furs for the making of the mink coats. Cheaper coats may be bought in great numbers here, but most persons who want to have mink coats go to New York, to the fur market, where the furs are all laid out, and pick out the furs, and then the coats when made are sent to Washington, and no sales tax on such coats would be paid in the District of Columbia.

Mr. HUNT. Mr. President, will the Senator yield for a further question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUNT. Let us apply the same equation to buying a second hand \$500 car, as compared to a \$4,000 Cadillac. Let us apply it to the buying of furniture. Let us apply it to the buying of an ordinary rug as compared to an oriental rug costing \$2,500 or \$3,000. This is not something which applies only to mink coats. It applies to practically everything those in the higher-income brackets buy and use daily. They are the people who would pay and pay and pay under the sales tax. The sales tax is the lowest tax that would be assessed against the little fellow. In the case of the sales tax he pays the tax directly in the first instance. But do not for a moment think that all the taxes are not passed on to the little fellow, the ultimate consumer—with one exception, and that is the tax on his home, if he owns it and lives in it.

Mr. JOHNSTON of South Carolina. The Senator spoke of Cadillac cars. He will not see many Cadillac cars on the street. He will see a great many little Fords pass by, as well as Chevrolets and Plymouths, most of which are bought, of course, by people in the lower-income brackets. It is true that many rich people ride in the same kind of cars poor people ride in. I am sorry to say that some of the poor are buying Cadillacs. They will have to pay a heavy sales tax on those cars if the bill is passed. We find occasionally a poor man riding in a Cadillac and a rich man riding in a Chevrolet or a Ford. That is something true of life, and we know it.

When we go through the stores we find that the great bulk of the articles ex-

hibited for sale are the small articles, but of course they all add up to a great number. They result in a great volume of business being done by the merchants. The workingman is obliged to buy boots. Not many rich men buy boots. Boots are quite expensive, too. It will be found that a workingman works his way out of a shirt faster than does a man who sits in a chair all the time. The workingman, under this bill, will have to pay a tax on the shirt he buys and on the boots he buys.

Mr. President, we must look at this subject realistically. We must see for ourselves what the sales tax really does to the workingman. The bill provides that no income tax shall be paid by one whose income is below \$4,000. But, as I said previously, many of those who receive between \$3,000 and \$4,000 are practically exempt from income tax now.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. McGRATH. I now have information which I think is pertinent for the RECORD at this point. Of the 100,000 income-tax returns filed and payable in the District of Columbia, 75,100 are returns for under \$5,000. So it can readily be seen that three-quarters of the income-tax returns which are made in the District of Columbia, and paid, are made and paid by persons with incomes of \$5,000 or less. That does not bear out what the Senator is trying to tell us.

Mr. JOHNSTON of South Carolina. How many returns are made by persons with incomes under \$3,000?

Mr. McGRATH. I do not have a break-down to show.

Mr. JOHNSTON of South Carolina. I mean with returns of under \$3,000 gross. If the Senator will check the figures he will find that but very few people, perhaps some old bachelors and probably a few women who are not married, are paying income taxes on gross incomes under \$3,000.

Mr. McGRATH. The Senator can figure that pretty well for himself. It is certainly clear that not a great percentage of the 75,000 out of 100,000 could be between the \$4,000 and \$5,000 class. We do not have the break-down for persons with incomes below \$5,000. I may say, however, that there are only 18,000 taxpayers in the District in the class of those whose income is between \$5,000 and \$10,000.

Mr. JOHNSTON of South Carolina. Is that \$5,000 net or gross, or what?

Mr. McGRATH. The taxable income.

Mr. JOHNSTON of South Carolina. Or, yes, the taxable income. The Senator is talking about something else now than what I am talking about.

Mr. McGRATH. The only records we can have are the records of the people who pay taxes.

Mr. JOHNSTON of South Carolina. Oh, yes, many persons are paying on the basis of a taxable income of \$3,000. But remember, we are speaking of what a person actually makes gross—his actual gross income.

Mr. McGRATH. Of course, his exemptions must be added to his taxable

income in order to obtain his gross. We have no way of knowing what the gross is.

Mr. JOHNSTON of South Carolina. What I am trying to say is that it is the little fellow who will pay the sales tax. I do not care to discuss this matter at any length. If any Senator desires to make reply I shall be glad to give up the floor at this time. Then I may speak on the subject later.

CONFIRMATIONS OF NOMINATIONS IN THE ARMY, NAVY, AND AIR FORCE

During the delivery of the speech of Mr. JOHNSTON of South Carolina:

Mr. TYDINGS. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield for a question only.

Mr. TYDINGS. In the event that I should ask for unanimous consent to have some routine nominations in the Army, Navy, and Air Force considered, with the understanding that the Senator shall not lose the floor and that the interruption shall appear at the end of his remarks, would the Senator, under those conditions, yield in order that I might make such a unanimous-consent request?

Mr. JOHNSTON of South Carolina. I would not object.

Mr. TYDINGS. Mr. President, as in executive session, I ask unanimous consent that certain routine nominations in the Army, Navy, and Air Force be considered and confirmed. They have been unanimously reported favorably from the Committee on Armed Services. There has been not a single protest of any kind filed. I am sure this statement is entered into mentally by the present occupant of the chair, who was in the Armed Services Committee room this morning when the subject came up. I ask unanimous consent that, as in executive session, the nominations be confirmed, that the President be notified, and that the action shall not in any way jeopardize the right of the Senator from South Carolina to the floor.

The PRESIDING OFFICER (Mr. BALDWIN in the chair). Unless there be objection, the report will be received, as in executive session, the nominations confirmed, and the President notified.

Mr. TYDINGS. I thank the Senator from South Carolina for his courtesy in yielding to me.

DISTRICT OF COLUMBIA REVENUE BILL

The Senate resumed the consideration of the bill (H. R. 3704) to provide additional revenue for the District of Columbia.

Mr. McGRATH. I am ready to proceed with the bill, Mr. President.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from South Carolina [Mr. JOHNSTON] for himself and the Senator from West Virginia [Mr. NEELY].

Mr. JOHNSTON of South Carolina. I call for a quorum.

Mr. HUNT. Mr. President, I should like to discuss the amendment very briefly, if I may.

Mr. JOHNSTON of South Carolina. Wait a minute.

Mr. HUNT. I suggest that we have a quorum call, on the condition that I may retain the floor, and that I may speak when the call of the roll is completed. I should like to make a statement.

The PRESIDING OFFICER. The Chair rules that the Senator from Wyoming will lose the floor if a roll call is had.

Mr. HUNT. I shall proceed with my remarks, then, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wyoming. Does the Senator from South Carolina insist upon a quorum call?

Mr. JOHNSTON of South Carolina. I do not insist on it if the Senator from Wyoming wishes to speak.

The PRESIDING OFFICER. The Senator from South Carolina withdraws his suggestion of the absence of a quorum. The Senator from Wyoming may proceed.

Mr. HUNT. Mr. President, the amendment offered by the distinguished Senator from South Carolina on behalf of himself and the Senator from West Virginia [Mr. NEELY] would place approximately 25 percent of the expenses of the Government of the District of Columbia on the residents of the other various States in the Union. At the present time the contribution on the part of the Federal Government is something like 12½ percent, or \$12,000,000, \$11,000,000 of that going into the general fund and \$1,000,000 being for payment for the water used by the Federal Government.

Mr. President, I am of the opinion that the plan suggested by the committee of raising the additional revenue by a sales tax is the fairer way to approach this particular situation. In the first place, I think it is a progressive step for the District to get its finances into shape so that we shall not have this recurring problem at every session of Congress. I think our plan distributes the load of taxation so broadly that it gives everyone an opportunity to participate. Therefore the revenue is extensive, and in large amounts.

Our proposed sales tax would collect revenue for the District from the many thousands of people who visit the city of Washington every year as tourists or in connection with their business with the Government. I see no reason why those visitors should not contribute to the Government of the District of Columbia. While they are here they receive all the benefits. They have opportunities to use the facilities of the District. In all sales-tax States the contribution by those not permanent residents of the State is considerable. Those who visit the District as tourists or who are here as semipermanent guests would pay taxes on their hotel rooms, and would pay a tax on the full cost of any meal costing in excess of \$1.50.

I think we should look backward a few days to the passage of a bill by this body in the amount of approximately \$300,000,000 for Federal aid to schools throughout the United States. Basically we passed that measure for the primary purpose of assisting the schools in the States which are referred to as poor States, which cannot maintain a minimum school system. In other words, the

richer States are helping the poorer States.

In the amendment proposed by the distinguished Senator from South Carolina [Mr. JOHNSTON] we are exactly reversing the situation, for of all the States in the Union, 40 of them have a lower per capita income than do the people residing in the District. The per capita income in the District is \$1,624. One State has a per capita income of \$659. Is it reasonable that we collect from the people of that State, with a per capita income only a third of the per capita income of the people of the District, taxes to carry on the government in this very rich District of Columbia?

There are 10 States with per capita income of less than \$1,000, as compared with the per capita income of \$1,624 in the District. There are eight States with per capita income of less than \$900; three with less than \$800; and, as I say, one State with a per capita income of \$659.

I have been in the city of Washington for only about 4 months, but it is my observation and belief that the people of the District do not want to ride a "grave train." I do not believe they want to become—if it is an exaggeration—wards of the rest of the States. I do not believe that the people of the District of Columbia are looking for charity. Furthermore, I am led to believe that a contribution such as this has no opportunity whatsoever of passage in the House of Representatives.

Mr. FLANDERS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from Wyoming yield to the Senator from Vermont?

Mr. HUNT. I yield.

Mr. FLANDERS. In giving the income figures and stating that the people of this city do not want to ride the "grave train," and telling us, as he does, that they have a very large per capita income, is not the Senator making a pretty good plea for an income tax?

Mr. HUNT. I think not. The bill provides an income tax for the District of Columbia, starting with the bracket of \$4,000, exempting the lower-income brackets. I think most of the Federal employees have an income closely approximating, or perhaps exceeding, \$4,000. To emphasize my point, let me say that the proposed sales tax is so designed as to collect taxes from the 240,000 people in the District who are working for the Government, and many of whom pay no tax at home. They pay no income tax in the District of Columbia because they claim to be domiciled in one of the States. However, every one of those 240,000 employees would pay a sales tax. I think the Senator will agree with me that it is proper that they should.

Mr. FLANDERS. I recognize that that is one way of equalization; but after all, the income-tax law can be so drawn that there is no duplication of taxes. The procedure toward that end was worked out 2 years ago by the junior Senator from Washington [Mr. CAIN], who now occupies the chair as Presiding

Officer. I am still of the mind that the Senator from Wyoming has made an excellent plea for levying an income tax upon the citizens of this city to pay for the support of their government from income which makes the District of Columbia one of the highest-income cities in the United States.

Mr. HUNT. I believe the Senator has overlooked a provision in the bill which exempts a person living in the District of Columbia from paying a District income tax provided he pays an income tax in his own State. That is, he is relieved of an equal amount of payment, to be credited against the District tax. If the District tax is in excess of what he pays in his home State, he will pay the difference in the District.

Mr. FLANDERS. I understand that provision. It was a provision worked out by the junior Senator from Washington 2 years ago. It is so good that I hope it will be extended so that an income tax will carry more of the burden of the expenses of this city.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. HUNT. I yield.

Mr. HOLLAND. If the Senator will permit me, I should like to ask him a series of questions relating to the comparison between the proposed sales tax for the District of Columbia, as included in the pending measure, and the sales tax now in existence for the State of Maryland, in those areas which adjoin the District of Columbia on two sides. Is the Senator able to state for the record the comparison between the Maryland sales tax and the proposed sales tax for the District of Columbia under the pending measure?

Mr. HUNT. I will say to the distinguished Senator from Florida that in writing the District of Columbia sales-tax provision we follow rather explicitly the existing sales tax in Maryland. With few exceptions the tax measure which we are presenting is very similar to the sales-tax law in Maryland. We went so far as to invite the sales-tax officials of the State of Maryland to sit with us and advise us in writing the bill. We did that so as to cause as little conflict and difficulty as possible on the borderline between Maryland and the District, and also having in mind all the while Virginia on the other side, which has no sales tax. So I should say that our bill, with minor differences, is very much like the Maryland law.

Mr. HOLLAND. Do I correctly understand the Senator, then, to this effect: That the proposed sales tax for the District of Columbia, as incorporated in the measure now pending, is almost identical, so far as the amount of tax levied on individual sales is concerned, with the sales tax now in existence for the State of Maryland?

Mr. HUNT. I should say, "Yes," with minor changes which are hardly worth going into.

Mr. HOLLAND. In drafting the proposed sales-tax law for the District of Columbia, as I understand, the subcommittee headed by the distinguished Senator from Wyoming was endeavoring to

reduce the differences and possible friction, possible competitive advantages which might result as between the adjoining areas of Maryland and the area of the District of Columbia, to a minimum by keeping the proposed measure as nearly as possible identical with the Maryland sales tax now in existence.

Mr. HUNT. Mr. President, I would say to the Senator from Florida that that objective was constantly kept in mind.

Mr. HOLLAND. I thank the Senator. Mr. President, will the Senator from Wyoming yield for a further question?

The PRESIDING OFFICER (Mr. CAIN in the chair). Does the Senator from Wyoming yield to the Senator from Florida?

Mr. HUNT. I yield.

Mr. HOLLAND. I note that the tax proposed in this measure on hard liquors or distilled beverages would be 50 percent higher than the tax now in existence, if I correctly understand the facts—in other words, the tax would be increased from 50 cents to 75 cents. However, I note that even at 75 cents, the District of Columbia tax on hard liquors would still be greatly below the corresponding taxes now being levied in the adjoining areas of Maryland.

So, Mr. President, I should like to ask the distinguished Senator from Wyoming what was the reason for not proposing to raise the tax on hard liquors sold in the District of Columbia sufficiently to make it approximately equal to that levied in the adjoining areas of Maryland.

Mr. HUNT. Mr. President, the question is a very proper one, and I shall try to answer it to the best of my ability.

The District of Columbia—placed, as it is, with Maryland on one side and Virginia on the other side—has the difficult problem of fixing the tax at such a point that the sales price of such liquors to consumers would not be greatly above or greatly below the sales price in Maryland or Virginia. We tried to strike more or less of a happy medium.

I should also like to say to the distinguished Senator that the officials of the District of Columbia suggested a 60 cent increase, instead of a 50 percent increase in the tax per gallon on spirituous liquors. However, it was necessary, so I am told, for the House committee to agree to reduce the increase in the tax to 50 percent, in order to secure the passage of the bill in the House of Representatives.

I may say to the distinguished Senator that so far as I personally am concerned, I should like to see the tax made a great deal higher. The fact of the matter is that if I could tax that traffic out of existence, I should like to do so. However, that cannot be done, for under such circumstances we possibly would see a return to the situation existing in the twenties. The officials of Washington, D. C., tell us that they have some fear that even now some bootlegging is going on in the District of Columbia, and that if we were to raise the price to the consumer too high—as the Senator knows, a tax of \$9 a gallon on liquor is now imposed by the Federal Government—

the result might be to produce a situation somewhat similar to that existing in the twenties.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. HUNT. I yield.

Mr. HOLLAND. Then do I correctly understand that the reason for not proposing to increase by more than 50 percent the tax levied on hard liquor—as provided in this measure—was to avoid bringing about a condition under which there would be such a great difference between the price of such liquors when sold in the District of Columbia and the price when sold in the State of Virginia, across the river, that those who wished to buy spirituous beverages would be encouraged to go to Virginia to purchase them?

Mr. HUNT. That argument was presented to us. However, my personal reaction to that statement was that it would take a little more than the difference which would exist after the passage of this measure to persuade anyone to go to Virginia to buy liquor, because the transportation cost to such a person would be more than the difference in the price of liquor.

Three primary reasons were advanced to us: First, to try to keep the tax and resultant price on liquors sold in the District of Columbia between the price of such liquors in Maryland and the price in Virginia; second, to attempt to avoid imposing a tax which would place the price of such liquors so high that there would be to some extent a return of bootlegging; and, third, to write a bill which we thought would pass.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield to me?

Mr. HUNT. I am glad to yield.

Mr. JOHNSTON of South Carolina. I believe Virginia has State-government control of the sale of liquor, does it not?

Mr. HUNT. Yes.

Mr. JOHNSTON of South Carolina. At the present time, is not the State of Virginia penalized because liquor is sold in the city of Washington at prices below the prices which must be paid in Virginia, and it is necessary for the Virginia officials to keep their tax on liquor at such a level that the price of liquor sold in Virginia is fairly close to the price of liquor sold in the city of Washington?

Mr. HUNT. I think the Senator from South Carolina is quite correct. Mr. President, I am quite willing to admit that that is the situation, and to agree with the Senator from South Carolina that the tax on liquor sold in the city of Washington has been very low.

Mr. JOHNSTON of South Carolina. I should also like to ask a further question, if the Senator will yield once more.

Mr. HUNT. I yield.

Mr. JOHNSTON of South Carolina. Assuming that we were to double the present tax, let us say, and make the price \$2.20—which is what my amendment calls for—does not the Senator from Wyoming believe that the Virginia officials who have control of the sale of liquor in Virginia could adjust the tax they impose on liquor sold in the State

of Virginia in such a way that the only result would be that Virginia would make just a little more than it now does from taxes on whiskey sold in Virginia?

Mr. HUNT. I agree with the Senator; and I say to him that, after we defeat his first amendment, if he wishes to submit an amendment to increase that tax, possibly we could go along with him.

Mr. JOHNSTON of South Carolina. That is the next amendment I shall submit.

Mr. HOLLAND. Mr. President, will the Senator yield to me further?

Mr. HUNT. I yield.

Mr. HOLLAND. Pursuing the course of questioning I was following before the Senator from South Carolina asked his series of questions, let me ask whether I correctly understand that it is the opinion of the Senator from Wyoming that the level of hard liquor taxes prescribed in this measure is as high as can safely be prescribed without bringing about an unsavory condition in the city of Washington, as contrasted either with conditions in the State of Virginia, on the one hand, or conditions in the State of Maryland, on the other hand.

Mr. HUNT. That is exactly the situation.

Mr. HOLLAND. Mr. President, will the Senator yield further?

Mr. HUNT. I am glad to yield.

Mr. HOLLAND. With reference to the cigarette tax recommended in the pending measure, am I correct in my understanding that at the present time, under the tax structure presently existing in the District of Columbia, there is no tax on cigarettes?

Mr. HUNT. That is correct. There is no tax at all on cigarettes, under the present District of Columbia tax structure.

Mr. HOLLAND. Is it correct that the pending measure will, in effect, place a 1-cent tax on the ordinary package of cigarettes sold in the District of Columbia?

Mr. HUNT. That is correct.

Mr. HOLLAND. Having in mind that many States have successfully imposed taxes ranging as high as 3 cents, and in some instances 4 cents, on the ordinary package of cigarettes, would the Senator from Wyoming mind stating for the record why in his opinion and in the opinion of the committee it would be unwise to provide a tax on cigarettes sold in the District of Columbia higher than the 1-cent tax recommended in the pending measure?

Mr. HUNT. I shall be glad to do so. In the committee it was developed—and I think the Senator from Florida will agree with me—that cigarette smoking is now almost a universal habit. There seems to be no income group whose income is too low to prevent the members of that group from smoking cigarettes. So the committee on more than one occasion said that we did not like to prescribe a heavier tax on cigarettes, because there again we would be directing a tax at the low-income group.

Mr. HOLLAND. Mr. President, will the Senator yield for a further question?

Mr. HUNT. I am glad to yield.

Mr. HOLLAND. Mr. President, to conclude my own questions—and I apologize for the number and length of them—

Mr. HUNT. That is quite all right; I have been glad to have the Senator from Florida ask them.

Mr. HOLLAND. Would the Senator from Wyoming mind stating for the record and for the information of the Senate the situation in Maryland and Virginia in regard to cigarette taxes?

Mr. HUNT. I shall try to obtain that information, for I am not entirely sure about the situation in that respect. I shall have to obtain that information for the Senator.

Mr. SALTONSTALL. Mr. President, will the Senator from Wyoming yield, or is he yielding the floor?

Mr. HUNT. I shall be glad to yield in a moment.

The PRESIDING OFFICER. The Senator from Wyoming has yielded to the Senator from Florida for a question.

Mr. HUNT. I cannot answer the question of the Senator. In certain States, as the Senator knows, the tax on cigarettes is as high as 4 cents; in others, 3. Cities within my own State have a 2-cent tax. I regret I am unable to tell the Senator what the Maryland tax is, or what it is in Virginia. Possibly another Senator on the floor may be able to answer the question.

Mr. HOLLAND. Mr. President, will the Senator procure that information and place it in the RECORD prior to the conclusion of the debate?

Mr. HUNT. I shall be glad to.

Mr. HOLLAND. Mr. President, if the Senator will yield for one more comment, I should like to say that I am impressed with the fact that the Senator and his committee have done a real service, in that they have approached the subject matter from the standpoint not only of offering a proposed sales tax—and I think the reasons for which they recommend that tax are impressive—but they have also gone into other fields of taxation, such as the increased beverage tax mentioned, the imposing of a tax on cigarettes, the increase in the millage on real estate, the levying of a tax on lodgings, and various other changes of existing taxation, which it seems to me shows that this is a bona fide effort fairly to apportion the burden of the needed additional taxation among people of all types and conditions, and of all brackets of revenue.

I should like at this time, if I may, to commend the distinguished Senator and his committee upon what I think has been an exceedingly fair effort to work out a very difficult problem.

Mr. HUNT. I thank the Senator from Florida. In reply to a question asked a while ago by the Senator, I should like to say we have no information to the effect that either Maryland or Virginia has a cigarette tax.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HUNT. I yield to the Senator from Louisiana.

Mr. LONG. With regard to the liquor tax, the Senator mentioned that Maryland would have a higher liquor tax than the District, in the event the pending bill

should be passed, but that the Virginia tax, as I understand from the Senator's statement, would be lower. However, is it not true that in Virginia there is alcoholic beverage control, under which a man must register and may purchase only a certain quantity of liquor during the year? Would that mean in effect that, even if the liquor tax in the District were higher than in Virginia, nevertheless there would not be in all probability much traffic made up of citizens of the District going over to Virginia to buy liquor?

Mr. HUNT. I may say to the Senator that, in my experience with sales tax matters, which extends now over some 14 years, people hardly go across the street in order to evade a sales tax. As to the Senator's conclusion that the price in either Maryland or Virginia would have a great bearing on the price in the District, I think the Senator is quite right. I do not believe it would. However, the evidence before the committee indicated that that might be the case.

Mr. LONG. With regard to liquor, it would seem to me that a person might leave the District and go to some State nearby, as for example Virginia, or possibly Maryland, if he wanted to buy a large quantity of liquor, but if he wanted to buy only a small quantity—and I understand most liquor probably is purchased in limited quantities—I doubt whether he would go anywhere outside the District to buy it.

Mr. HUNT. I should like to say for the information of the Senator from Florida and also for the information of the distinguished Senator from Louisiana, that the 2-percent sales tax will also apply in addition to the increased revenue taxes on liquor.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUNT. I am glad to yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I should like to ask the Senator from Wyoming if he will permit me at this time to offer an amendment, which I understood from what the Senator from Rhode Island said this morning, the committee would accept. If the Senator will permit, I should like to offer the amendment now, because I have a committee meeting at 2 o'clock.

The amendment, which is on the desk, is offered to page 8, line 7, where it is proposed, after the comma following the word "religious", to insert "scientific," and on page 12, line 8, after the word "newspapers," where it is proposed to insert "and publications of semipublic institutions as defined in section 18."

I took the matter up with the Senator from Rhode Island yesterday. He stated on the floor this morning he had no objection. The junior Senator from New Jersey [Mr. HENDRICKSON] had intended to offer a similar amendment, in a slightly different form, and he desires to join with me in offering my amendment. I may ask the Senator from Wyoming whether he will be courteous enough to permit me to offer the amendment, as it is in order, I understand, and whether he will accept it.

Mr. HUNT. I have no objection.

Mr. SALTONSTALL. Mr. President, I offer the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 8, line 7, after the comma following the word "religious", it is proposed to insert "scientific"; and on page 12, line 8, after the word "newspapers", it is proposed to insert "and publications of semipublic institutions as defined in section 18."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Massachusetts [Mr. SALTONSTALL] for himself and the Senator from New Jersey [Mr. HENDRICKSON].

The amendment was agreed to.

Mr. SALTONSTALL. I thank the Senator from Wyoming for his courtesy.

Mr. McCLELLAN. Mr. President—

Mr. HUNT. Mr. President, if I may inquire of the distinguished Senator from Arkansas, how long does he intend to speak?

Mr. McCLELLAN. About 30 minutes.

Mr. HUNT. I am pleased to yield the floor at this time to the distinguished Senator from Arkansas.

Mr. McCLELLAN. Mr. President, am I correct in my understanding that I now have the floor in my own right?

The PRESIDING OFFICER. The Senator is correct.

TRENDS AND POLICIES AND COSTS OF GOVERNMENT

Mr. McCLELLAN. Mr. President, there is a deep and growing concern among the intelligent citizenship of this Nation with respect to present-day trends and policies of Government. Many people entertain grave doubts as to whether the ship of state is being steered on a safe and sane course. Others believe we have already embarked in a direction that if followed will lead to disaster.

Some of the extreme fears expressed may not be justified, but general apprehension persists, and it has reached such proportions that it is sufficient to arrest the attention of the administration and engage the interest and consideration of the Congress. This anxiety in the hearts and minds of so many of our people should cause us to proceed with unusual caution. We should pause, Mr. President, to reexamine many proposals that have been recommended and submitted to us before enacting them into law. Profound deliberation, sober judgment, and wise decisions are required if the Congress is to protect and serve the best interest and welfare of this Nation in this critical period.

The impact and aftermath of the most violent and destructive war in human experience have made uncertain and insecure the social, political, and economic structure of governments throughout the world. Many have already fallen. Others are in critical danger of either revolution or complete collapse. The very destiny of civilization seems to be swaying in the balance.

To say that world affairs are precarious may well be an understatement. No one can seriously contend that the assertion is an unwarranted exaggeration. It

would border on the ironical to maintain that this is an era of peace. The forces of evil, of aggression, of totalitarian slavery are still arrayed in all their might and power against the forces of righteousness, of human liberty, and freedom.

The conflict between these inimical ideologies did not abate with the cessation of hostilities on VJ-day. Instead there has been simply a shifting of leadership and a reforming of lines with new, comprehensive, and calculated plans of conquest and destruction. Those plans do not lie dormant. They are fully activated and in process of being executed by pressure, threats, and subversive fifth-column assaults.

Yes, more, Mr. President, those plans and iniquitous designs are presently being carried out by war, both hot and cold.

In some countries the hordes of communism are now marching in blood and death to new frontiers. In other parts of the world furtive preparations are under way for further advances whenever the time may be propitious for invasion, the intensification of the present cold war, or the initiation of a hot one.

This, Mr. President, is the unhappy situation, the realistic condition, that confronts humanity, all peoples who abhor war, and who long for and pray for peace.

The imposing might of our military power and its potential, plus our tremendous economic strength and resources, are unquestionably the major factors that have been a restraining influence upon the dictators, who intend by force and subjugation to rule the world. Except for this presently insurmountable barrier, tyrannical communism could spread almost at will and unimpeded until it encompassed the globe.

That is the exalted and preeminent position we as a nation now occupy. This position and the frustration and instability of and dangers to human freedom have thrust upon the United States unprecedented responsibilities of leadership accompanied by staggering financial burdens. Those obligations involve not only our own enlightened self-interest, but they extend to a dependent and to an otherwise defenseless world. They present an inescapable challenge to the ingenuity of our statesmanship and resourcefulness.

This challenge cannot be successfully met by the ordinary functioning of our Government nor by the normal and usual peacetime duties of citizenship and tax contributions of our people. To discharge these responsibilities and be prepared for any eventuality, we must keep our strength mobilized and continuously develop and increase it. Our own security and world peace depend upon our prestige, capacity, and ability to prevent another world war. This transcends in importance all other objectives. There are many goals in our domestic affairs for which we should strive. Some are important and needed; others may be highly desirable. But if we fail to achieve that which is of paramount importance, the others cannot be attained.

It is, therefore, not only advisable, but it is imperative that we guard against extravagance and refrain from launching extensive new and costly social and

other programs that will add billions of dollars annually to the operating cost of our Government. We can neither win the cold war nor prevent another hot one if we are unwilling or fail to make the sacrifices essential to the maintaining of a sound and vigorous economy. Over-expansion of taxing and spending for many things that we can do without can quickly lead to national insolvency. Any serious impairment of our fiscal policies will correspondingly weaken our military powers. We cannot overburden and shackle our free-enterprise economy with exorbitant and confiscatory taxes and expect it to survive. By destroying our free-enterprise system, we shall make certain that many of our other cherished freedoms will perish with it.

The cost of maintaining our military establishment at a strength required for our defense and security; the providing of minimum financial assistance to aid in the economic recovery of allied governments and peoples; the meeting of heavy fixed charges which war imposed upon us; and the tremendously swollen current operating costs of our Government place a terrific strain upon our entire economy.

The present budget, which we are finding it impossible to reduce, will exceed anticipated revenues for the next fiscal year—revenues that are produced by a tax rate that cannot be substantially increased without risking diminishing returns. The earnings of all business enterprise, of professions, and the salaries and wages of employees are all materially affected by the tax-take of the Federal Government.

Mr. President, I venture to assert that never before in the history of our Nation have the responsibilities of the Congress been greater, more grave, and more complex than they are now. We are confronted with conditions, and called upon to make decisions on vital issues before us that are fraught with unpredictable consequences for the future. With the heaviest peacetime expenditures and the highest rate of taxation, and with the national income concededly on the decline, we are asked at this session of Congress to enact a multitude of laws that would create new obligations of government for which annual appropriations would have to be made.

Among the proposals now pending in the Congress and sponsored by the present administration are these: First, to increase old-age and survivors insurance benefits to the present beneficiaries of this program, and to further expand the coverage to include some twenty to twenty-five millions of our people who are not now eligible for this assistance under existing law; second, to expand unemployment compensation to include many millions not now eligible and to substantially increase the payments thereof; third, to provide free professional treatment, medical services, and hospitalization to 80 to 85 percent of the American people under a compulsory national health insurance program; fourth, to subsidize the food bill of all consumers throughout the Nation. I refer to the proposed farm program. That is exactly what it does; fifth, to subsidize housing for millions of our citi-

zens in the lower-income brackets; sixth, to pour out millions, which would soon run into billions, in various kinds of grants in aid to States and other political subdivisions and to institutions and agencies for many specific purposes; seventh, to further substantially raise the salaries of all of the present more than 2,000,000 Federal employees and to add additional hundreds of thousands to the Federal pay roll.

In addition to this, Mr. President, we are requested and expected to spend some eight to ten billion dollars annually abroad to aid and assist in the economic recovery of other countries. We will also be asked to spend billions for the rearmament of Europe in implementation of the North Atlantic Pact. We will likely be asked, Mr. President, to make other pacts and many, many other expenditures to implement them.

There are an undetermined number of other bills now pending in the Congress for increasing pensions, the creation of new functions of government, and for the expansion of existing governmental services, all of which will further increase expenditures. Many of these may not have administration approval, but some of them have considerable support, and will likely be enacted into law.

Mr. President, it would be impossible to estimate accurately the cost of all those measures. But it is conceded that just one—the compulsory health insurance bill—will cost from six to ten billions of dollars annually. It is no exaggeration to say that if this ambitious program or a substantial part of it is enacted into law, the operating cost of the Federal Government within the next 5 years will soar to a new peacetime high of some twenty to twenty-five billion dollars annually in excess of the forty-two billions we are now spending. That means, Mr. President, a Federal budget of approximately sixty-five billion dollars annually. If that budget is to be kept in balance, an equal amount in additional taxes will have to be taken out of the earnings of the American people.

Can this be done? Where is this new tax money coming from? Can the American people pay it out of present or expected earnings? If this additional cost—this exorbitant increase in Federal expenditures—is imposed on the American people, how will this affect our standard of living? Will it be higher, remain the same, or be lowered?

Mr. President, those are not irrelevant questions. Should we not try to know their answer before we plunge? Or do we propose to leap blindly? If it is conceded that such an expansion of governmental functions and services and their cost cannot be provided by even a much larger tax take out of the incomes of our citizens, but will compel deficit financing, should we borrow money and pile more debt onto our present \$252,000,000,000 national obligation, to be paid out of the sweat, toil, and deprivations of millions of Americans yet unborn? I believe the pursuit of such a policy would prove destructive rather than constructive; that it would weaken and not strengthen our economy; that it would not increase but would impair our military power and its potentialities.

Mr. President, I am not quarreling with all these proposals. I am unalterably opposed to some of them. The objectives of others may well be meritorious and offer goals desirable of attainment. But I do doubt and seriously question the wisdom of the enactment of all or any of these proposed measures, which would create new functions of government, further expand governmental services, add more thousands of employees to already swollen Federal pay rolls, and thus impose either higher taxes or more debt, and probably both, on the already tax-burdened and debt-ridden American people.

How do the sponsors of this legislation and the Administration propose to finance this great expansion program? First, the President has recommended that this Congress raise general income and corporate tax rates so as to produce an additional \$4,000,000,000 in revenues annually. Just how much higher present rates would have to be increased to produce \$4,000,000,000 more, no one can accurately foretell. With a declining national income, the raising of taxes might continue to press the national income downward, so no one can predict just how high we would have to raise the present tax rates to produce an additional \$4,000,000,000 in revenue.

Next, it is proposed that we take out of pay rolls of the American producers and earners an additional 7 cents to 10 cents on each dollar over and above the approximately 5 cents pay-roll tax now collected. These increased pay-roll taxes are expected to produce from \$12,500,000,000 to \$15,000,000,000 annually. This, with a \$4,000,000,000 increase in general revenues, will amount to only about \$18 or \$19 billion, leaving a deficit of several billion dollars each year to be financed out of borrowed money, and by constantly increasing the national debt proportionately.

Mr. President, this is of great concern to every intelligent American citizen. Every laborer, every salary and wage earner, every consumer, and all business enterprises, can be, and in my judgment will be, seriously and adversely affected if our Government embarks on such an ill-advised taxing, spending, and debt-enlargement policy and program.

Let no laboring man or wage earner, consumer, or anyone else, be under any illusion that this is a simple "soak the rich" program. The pay-roll tax contributed by the employer will be paid indirectly by the consumer of its products and the user of its services. That tax will be added to the sale price of goods and services. In the end, "Jones pays the freight." And for all practical purposes, "Jones" will be those who are now being promised "security" and something for nothing by a beneficent and paternalistic government.

Mr. President, in 1935 we enacted the social security law, and provided extremely modest old-age and survivors insurance. Subsequently, the benefits were slightly but inadequately increased. We financed this program by pay-roll taxes—1 cent on the dollar each from employer and employee. We also provided in that law for unemployment compensation, also financed by a pay-roll

tax. When this new tax and spending program was proposed, I became curious to know the present status of these and other trust funds that our government had collected. With the aid of the professional staff of the Senate Committee on Expenditures in the executive departments, and the cooperation of the Treasury and agency chiefs administering these funds, I have assembled the data and prepared tables giving the present status of these accounts. This information, I believe, will be of interest to Members of Congress and to the public generally. At the conclusion of my remarks I shall request that these tables be printed in the RECORD. I shall give here only a general summary of some of them.

Mr. President, in these tables I have covered the following trust funds: The Federal old-age and survivors insurance, unemployment trust funds, railroad retirement funds; veterans' life insurance funds, Federal retirement funds, supplemental trust accounts, Federal deposit insurance funds, and five other special trust accounts.

Mr. President, for these accounts the Federal Government up to June 30, 1948, had collected a total from all sources of \$47,556,062,172. Total expenditures out of these funds up to June 30, 1948, are \$12,049,429,592.

Receipts and expenditures for those purposes projected to June 30, 1949, will bring the total receipts to \$52,962,060,172 and total expenditures to \$14,505,429,592 respectively. So, as of June 30, 1949, there will be a credit balance in all these trust accounts in the amount of \$38,456,630,580. Of this total, Mr. President, only \$224,873,253 will be cash on hand. The balance in these accounts of \$38,231,757,327 is and will have been invested in Government securities, as shown by "summary of investments," which appears in the table.

These investments, Mr. President, are a part of the present national debt. All of this money was collected by the Federal Government in the nature of taxes or fees for the specific purposes for which such trust funds were established. But, Mr. President, the facts are that \$38,000,000,000 plus of these special funds have actually been expended for other purposes; that is, for general operating expenses of the Government and not for the purpose for which they were collected.

It is true that the Government has deposited, in trust, its bonds and certificates of indebtedness for the respective amounts of these special funds, which it has expended for other purposes. Such bonds and certificates of indebtedness, however, Mr. President, will have to be redeemed by the Federal Government from general taxes collected from the American people. That is, Mr. President, over \$38,000,000,000 that have been paid into the United States Treasury from pay-roll taxes and other sources into these accounts will have to be paid again by general taxes collected from the public.

As a further illustration, I call specific attention to the Federal old-age and survivors insurance account, which has been running from August 14, 1935, when the Social Security Act became effective.

In this account the Federal Government has collected and will have collected by June 30, 1949, in pay-roll taxes \$13,028,169,014. With receipts from other sources, and transfers of accounts and interest on investments, total receipts from the Treasury for old-age pensions and survivors insurance will amount to \$14,285,550,294 by June 30, 1949. Total expenditures out of this fund in payment of old-age pensions and survivors insurance by June 30, 1949 will amount to only \$2,967,869,136, leaving a book balance in the old-age and survivors insurance account of \$11,317,681,158 as of June 30 next. Of this amount only \$109,901,901 will be in cash. The remainder of \$11,207,779,257 will be in Government securities.

Mr. President, I call specific attention to the status of this old-age and survivors pension fund to emphasize that in reality we have levied and collected pay-roll taxes to provide a pension fund or an insurance fund for the old citizens of our Nation, but we are spending this money for other purposes.

Where has this money gone? All of it, except about \$110,000,000, or approximately \$11,000,000,000 of it, has gone to defray the general expense of the Government. In other words, Mr. President, it has been expended for an entirely different purpose from that for which it was levied and collected.

I point out to my colleagues that there has been five times as much collected as has been expended. Yet we are asked to raise these pay-roll taxes higher, and give the program a broader coverage. But according to past practices and customs, if we raise the taxes and expand the coverage and levy a pay-roll tax to meet that expense, we will simply be raising more money to be placed into the General Treasury for expenditure for general operating expenses of the Government.

Mr. President, it occurs to me that as a matter of simple justice to the old people of this Nation, to whom we owe an obligation, we should increase old-age pensions sufficiently to provide at least a decent minimum standard of living before we proceed to impose additional pay-roll taxes for other purposes and raise other billions that will be used and expended for the general expenses of the Government rather than for the purpose for which they will be collected.

Mr. President, the unemployment trust fund, which was also authorized by the Social Security Act of August 14, 1935, is in substantially the same status as the old-age and survivors insurance fund. As of June 30, 1949, \$14,883,734,512, including interest, will have been collected. Total expenditures will be \$6,123,705,845. There will be only \$24,630,044 in cash in this account. The balance of \$8,760,028,667 will be represented by Government securities, which means that these special unemployment taxes have been spent for other purposes.

Mr. President, I shall not take time specifically to comment on other trust accounts shown in these tables. I wanted to place them in the CONGRESSIONAL RECORD because I believe the Congress and the people should be kept informed

about them. I think these tables provide a very interesting study and are quite revealing. In the light of the facts and the information they contain and in view of pending measures in the Congress to create new and additional trust funds for new and expanded governmental services, I believe the Congress should well consider them before it acts.

In conclusion, Mr. President, I wish to make these observations: New and expanded Government services, increased spending, and higher taxes do not pave the road to our economic security. Instead, Mr. President, such a course can well lead to depression, to economic distress, and to the collapse of our free-enterprise system.

It is not the responsibility of the Federal Government to guarantee to every individual citizen in this Nation eco-

nomical prosperity and security. In my judgment, if our Government undertakes such a program, it will assume obligations beyond its ability to fulfill. To ever strive for economic progress and social gains is commendable.

Progress and gains can be made in the future and our standard of living made higher if we will simply adhere to and not abandon the basic fundamentals of industry and thrift that served to make our economy the most prosperous and our standard of living the highest that any people have ever attained. But socialism and state paternalism in America will operate here just as it has in all other countries that have tried it, and with the same results. It will promise much and give but little; it will provide temporary benefits, but they will not be of enduring value; it will stimulate false

hope in our people, who will later be disillusioned. Mr. President, socialism and state paternalism is not the road to economic security and prosperity. Instead, it is the broad highway to insolvency and austerity. Let us take warning from the plight of Great Britain and other nations that have turned from the right and gone to the left. Let us assume only such obligations as we can keep, and make such social gains as we can afford and pay for. That, Mr. President, is the safe and sane policy our Government should pursue.

Mr. President, I ask unanimous consent that the tables to which I have referred be printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Analysis of receipts, expenditures, and reserves of selected Federal trust accounts as of June 30, 1949

Fund	Receipts				
	Inception to June 30, 1948		Estimate for fiscal 1949	Total to June 30, 1949	
	Source	Amount			
Federal old-age and survivors insurance (act of Aug. 14, 1935, 49 Stat. 620; revised, act of Aug. 10, 1939, 53 Stat. 1360).	Appropriations.....	¹ \$11,335,169,014	\$1,693,000,000	\$13,028,169,014	
	Interest on investments.....	1,030,306,280	223,000,000	1,253,306,280	
	Transfers.....	² 1,075,000	3,000,000	4,075,000	
Total.....		12,366,550,294	1,919,000,000	14,285,550,294	
Unemployment trust fund (act of Aug. 14, 1935, 49 Stat. 640; revised, act of June 25, 1938, 52 Stat. 1101).	Deposits.....	³ 12,439,768,313	1,107,000,000	13,546,768,313	
	Interest on investments.....	937,291,495	185,000,000	1,142,291,495	
	Transfers from State unemployment funds to railroad insurance account (July 5, 1939).....	⁴ 107,160,769	6,000,000	113,160,769	
	Transfer from railroad unemployment insurance administration fund (act of Oct. 10, 1940).....	⁵ 66,513,935		66,513,935	
	Advance by Secretary of Treasury (July 5, 1939).....	⁶ 15,000,000		15,000,000	
	Total.....		13,585,734,512	1,298,000,000	14,883,734,512
Railroad retirement account (act of June 24, 1937, 49 Stat. 1283).	Appropriations.....	⁷ 2,774,552,498		2,774,552,498	
	Interest on investments.....	125,370,618	55,000,000	180,370,618	
	Transfers.....		565,000,000	565,000,000	
Total.....		2,899,923,116	620,000,000	3,519,923,116	
Veterans life insurance funds: Government life insurance fund (estimated) (act of Oct. 6, 1947; 40 Stat. 398). National service life insurance fund (act of Oct. 8, 1940; 54 Stat. 1014).	Government life insurance (estimated).....	1,286,500,000		1,286,500,000	
	Premiums and other receipts.....	⁸ 3,813,187,910	431,000,000	4,245,187,910	
	Interest on investments.....	579,295,081	263,000,000	842,295,081	
	Transfers from general fund.....	⁹ 3,600,299,066	255,000,000	3,854,299,066	
Total.....		9,279,282,057	949,000,000	10,228,282,057	
Federal retirement funds: Civil service retirement system (act of May 22, 1920; Government contribution 45.4 percent). Foreign Service (act of Apr. 24, 1939; Government contribution 72.1 percent). Alaska Railroad retirement and disability (act of June 29, 1936; Government contribution 36.1 percent). Canal Zone retirement fund (act of Mar. 2, 1931; Government contribution 45.3 percent).	Deductions from basic compensation and service credit payments.....	¹⁰ 2,219,746,782		2,219,746,782	
	Voluntary contributions.....	¹¹ 10,406,350		10,406,350	
	Appropriations.....	¹² 1,851,578,079		1,851,578,079	
	Interest.....	¹³ 652,680,550		652,680,550	
	Deductions from employees' salaries.....	5,660,000		5,660,000	
	Appropriations.....	10,346,900		10,346,900	
	Interest on investments.....	3,589,317		3,589,317	
	Deductions from employees' salaries.....	2,188,986		2,188,986	
	Transfer from civil service retirement deductions.....	30,980		30,980	
	Transfer interest on deductions.....	2,170		2,170	
	Appropriations.....	2,051,000		2,051,000	
	Interest on investments.....	656,465		656,465	
	Deductions from employees' salaries.....	13,320,602		13,320,602	
	Voluntary contributions.....	412,593		412,593	
	Transfer from civil service retirement fund account deductions.....	1,314,724		1,314,724	
	Transfer accrued interest on deductions.....	153,077		153,077	
	Appropriations.....	11,916,000		11,916,000	
	Interest and profits on investments.....	4,044,116		4,044,116	
	Total.....		4,790,098,691	620,000,000	5,410,098,691
	Total.....		42,921,588,670	5,406,000,000	48,327,588,670

¹ Amounts equal to 100 percent of employment taxes are appropriated to fund.

² Certain benefits are paid from Federal old-age to dependents of World War II veterans. Transfers represent appropriations from general fund to reimburse Federal old-age.

³ Received from States and Railroad Retirement Board for credit to State unemployment funds and railroad unemployment insurance account within unemployment trust fund.

⁴ Originally there was no separate railroad unemployment insurance account. When one was established in 1938, railroad funds in State accounts were transferred to the railroad unemployment insurance account.

⁵ When railroad unemployment system was established in 1938, Treasury was authorized to advance \$25,000,000 to railroad account for benefit payments.

⁶ A fixed proportion of charges to railroads to support the railroad unemployment insurance system are deposited in the Railroad Unemployment Insurance Administration fund. At June 30 of each year all amounts in Administration fund in excess of \$6,000,000 are required to be transferred to railroad unemployment insurance account.

⁷ Appropriations from general fund to support railroad retirement system. Appropriations are usually in line with receipts, but the appropriation is made from general fund.

⁸ Premiums are paid by insured to cover cost of insuring ordinary risks.

⁹ General fund appropriations are authorized to cover extra hazards of military service. At the present deduction rate is 6 percent of gross pay. When an employee has rendered service for which he may receive credit toward retirement but deductions from pay were not made at time service was rendered, he may get full credit for the service by paying the amount due the fund.

¹⁰ Employees may make voluntary deposits into the retirement fund and thereby purchase additional annuities.

¹¹ System is supported in part by contributions from Government in form of annual appropriations.

¹² Fund has been invested in part in marketables and in part in specials. Sales of marketables may result in profit.

Analysis of receipts, expenditures, and reserves of selected Federal trust accounts as of June 30, 1949—Continued

Fund	Receipts			
	Inception to June 30, 1948		Estimate for fiscal 1949	Total to June 30, 1949
	Source	Amount		
Supplemental trust accounts:				
Postal Savings System (act of June 25, 1910)		\$3,495,020,002		\$3,495,020,002
Federal Deposit Insurance Corporation (act of June 16, 1933)		1,016,789,500		1,016,789,500
Other special funds (does not include trust fund investments in public issues)				
Adjusted service certificate fund (acts of Jan. 27, 1936, and Aug. 14, 1937)		5,800,000		5,800,000
Farm-tenant mortgage fund (act of July 22, 1937)		1,000,000		1,000,000
Federal home loan banks (act of July 22, 1932)		37,400,000		37,400,000
Federal Savings and Loan Insurance Corporation (act of June 27, 1934)		74,462,000		74,462,000
Mutual mortgage insurance fund (act of June 27, 1934)		4,000,000		4,000,000
Total		4,634,471,502		4,634,471,502
Grand total		47,556,060,172	\$5,406,000,000	52,962,060,172

Fund	Expenditures			
	Inception to June 30, 1948		Estimate for fiscal 1949	Total to June 30, 1949
	Type	Amount		
Federal old-age and survivors insurance (act of Aug. 14, 1935, 49 Stat. 620; revised, act of Aug. 10, 1939, 53 Stat. 1360)	Benefit payments and refunds	\$2,041,253,650	\$648,000,000	\$2,689,253,650
	Reimbursement for administrative expenses	219,010,724		14 219,010,724
	Salaries, Bureau of Old-Age	59,604,762		15 59,604,762
Total		2,319,869,136	648,000,000	2,967,869,136
Unemployment trust fund (act of Aug. 14, 1935, 49 Stat. 640; revised, act of June 25, 1938, 52 Stat. 1101)	Withdrawals	16 4,966,279,877	861,000,000	5,827,279,877
	Interest on investments			
	Transfer to railroad insurance account from State funds	107,160,769		107,160,769
	Railroad unemployment benefit payments and refunds	17 174,265,199		174,265,199
	Repayment of Treasury advance	18 15,000,000		15,000,000
Total		5,262,705,845	861,000,000	6,123,705,845
Railroad retirement account (act of June 24, 1937, 49 Stat. 1283)	Annuity payments and refunds	1,500,007,703	276,000,000	1,776,007,703
Veterans life insurance funds: National service life insurance fund (act of Oct. 8, 1940; 54 Stat. 1014)	Benefit payments and refunds	1,029,659,860	379,000,000	1,408,659,860
Federal Retirement funds:				
Civil service retirement system (act of May 22, 1920; Government contribution 45.4 percent)	Annuity payments and refunds	1,908,645,732		1,908,645,732
	Transfers to Canal Zone retirement fund:			
	Deductions	19 1,314,724		1,314,724
	Accrued interest	19 153,077		153,077
	Transfer to Alaska Railroad retirement fund:			
	Deductions	19 30,980		30,980
	Accrued interest	2 170		2 170
	Transfers to police and firemen's relief fund of the District of Columbia:		292,000,000	
	Deductions	19 52,681		52,681
	Accrued interest	25 040		25 040
Foreign Service (act of Apr. 24, 1939; Government contribution 72.1 percent)	Annuity payments and refunds	7,384,112		7,384,112
Alaska Railroad retirement and disability (act of June 29, 1936; Government contribution 36.1 percent)	do	1,816,961		1,816,961
Canal Zone retirement fund (act of Mar. 2, 1931; Government contribution 45.8 percent)	do	17,761,571		17,761,571
Total		1,937,187,048	292,000,000	2,229,187,048
Total		12,049,429,592	2,456,000,000	14,505,429,592
Other special funds (does not include trust fund investments in public issues)				
Grand total		12,049,429,592	2,456,000,000	14,505,429,592

Fund	Investments and cash				
	Investments		Cash account	Estimated investments fiscal 1949	Total to June 30, 1949
	Type	Amount			
Federal old-age and survivors insurance (act of Aug. 14, 1935, 49 Stat. 620; revised, act of Aug. 10, 1939, 53 Stat. 1360)	2½ percent special Treasury certificates	\$7,709,000,000	\$109,901,901	\$1,271,000,000	\$11,317,681,158
	2¼ percent Treasury bonds	4,222,975			
	2½ percent Treasury bonds	2,223,556,282			
Total		9,936,779,257	109,901,901	1,271,000,000	11,317,681,158
Unemployment trust fund (act of Aug. 14, 1935, 49 Stat. 640; revised, act of June 25, 1938, 52 Stat. 1101)	2½ percent special Treasury certificates	7,500,000,000	24,630,044	437,000,000	8,760,028,667
	2¼ percent Treasury bonds	4,016,789			
	2½ percent Treasury bonds	794,381,834			
Total		8,298,398,623	24,630,044	437,000,000	8,760,028,667

14 Administrative expenses of Treasury Department and Federal Security Agency paid from general fund appropriations. Federal old-age fund is required to reimburse general fund for such expenses.
 15 In recent years, appropriations for administrative expenses of Bureau of Old-Age Insurance, Federal Security Agency, have been made directly from trust fund.
 16 Amounts deposited by States in their accounts in unemployment trust fund are subject to withdrawal by them for benefit payments, on demand.

17 Represents repayment of advances to railroad unemployment insurance account. See footnote 5, on opposite page.
 18 Represents benefit payments from amounts withdrawn by Railroad Retirement Board from railroad unemployment insurance account.
 19 Interaccount transactions authorized by law.

Analysis of receipts, expenditures, and reserves of selected Federal trust accounts as of June 30, 1949—Continued

Fund	Investments and cash				
	Investments		Cash account	Estimated investments fiscal 1949	Total to June 30, 1949
	Type	Amount			
Railroad retirement account (act of June 24, 1937, 49 Stat. 1283).	3 percent special Treasury notes.....	\$1,374,500,000	\$25,415,413	\$344,000,000	\$1,743,915,413
Veterans life insurance funds:					
Government life insurance fund (estimated) (act of Oct. 6, 1917; 40 Stat. 398).	3 percent special Treasury notes.....	6,934,685,000	28,437,197	570,000,000	6,934,685,000
National service life insurance fund (act of Oct. 8, 1940; 54 Stat. 1014).	3½ percent special Treasury certificates.....	1,286,500,000			
Total.....		8,221,185,000	28,437,197	570,000,000	8,819,622,197
Federal retirement funds:					
Civil service retirement system (act of May 22, 1920; Government contribution, 45.4 percent).	4-percent special Treasury notes.....	2,815,269,000	29,576,357	328,000,000	3,180,471,357
Foreign Service (act of Apr. 24, 1939; Government contribution 72.1 percent).	3-percent special Treasury notes.....	7,626,000			
Alaska Railroad retirement and disability (act of June 29, 1936; Government contribution 36.1 percent).			125,105		125,105
Canal Zone retirement fund (act of Mar. 2, 1931; Government contribution 45.8 percent).			42,640		42,640
Total.....		2,822,895,000	30,016,643	328,000,000	3,180,911,643
Total.....		30,653,757,880	218,401,198	2,950,000,000	33,822,159,078
Supplemental trust accounts:					
Postal Savings System (act of June 25, 1910).....	2 percent Treasury notes.....	1,909,000,000	6,472,055		
	2 percent Treasury bonds.....	1,345,816,856			
	2½ percent Postal Savings bonds.....	36,573,600			
	Special Treasury fund.....	197,157,491			
Total.....		3,488,547,947			
Federal Deposit Insurance Corporation (act of June 16, 1933).	2 percent special Treasury issue.....	549,000,000			
	2½ percent nonmarketable Treasury certificates.....	100,000,000			
	2.411 percent marketable Treasury certificates.....	367,789,500			
Total.....		1,016,789,500			
Other special funds (does not include trust fund investments in public issues).					
Adjusted service certificate fund (acts of Jan. 27, 1936, and Aug. 14, 1937).	4 percent.....	5,800,000			
Farm-tenant mortgage fund (act of July 22, 1937).....	2 percent.....	1,000,000			
Federal home loan banks (act of July 22, 1932).....	1½ percent.....	37,400,000			
Federal Savings and Loan Insurance Corporation (act of June 27, 1934).	2 percent.....	74,462,000			
Mutual mortgage insurance fund (act of June 27, 1934).	2 percent.....	4,000,000			
Total.....		4,627,999,447	6,472,055		
Grand total.....		35,281,757,327	224,873,253	2,950,000,000	38,456,630,580

SUMMARY OF INVESTMENTS

4 percent special Treasury notes ²⁰	\$2,821,059,000	2 percent Treasury notes ²¹	\$1,909,000,000
3½ percent special Treasury certificates ²¹	1,286,500,000	2 percent Treasury bonds.....	1,345,816,856
3 percent special Treasury notes.....	8,516,811,000	2 percent special Treasury certificates.....	628,462,000
2½ percent Treasury bonds ²²	3,054,511,716	1½ percent special Treasury certificates.....	37,400,000
2½ percent nonmarketable Treasury certificates ²³	109,000,000	Special Treasury fund ²⁴	197,157,491
2.411 percent marketable Treasury certificates ²⁴	367,789,500	1949 investments.....	2,950,000,000
2½ percent Treasury bonds.....	8,239,764		
2½ percent special Treasury certificates.....	15,209,000,000		
			38,231,757,327

NOTE.—Average interest rate, total public issues, June 30, 1948, 2.126 percent; Nov. 30, 1948, 2.159 percent.

²⁰ Special Treasury notes: Special form of nontransferable security designed for investments of Government trust funds, for periods of from 1 to 5 years.²¹ Special Treasury certificates: Special form of nontransferable security designed for investments of Government trust funds, for short-term period of 1 year or less.²² Treasury bonds: Marketable obligations and may be issued for any period of time. May or may not be registered. Note: United States savings bonds are not marketable and are issued in the name of purchaser.²³ Nonmarketable Treasury certificates: Form of nontransferable security available for purchase by the public on original issue.²⁴ Marketable Treasury certificates: Securities that can be traded in on the market or elsewhere.²⁵ Treasury notes: U. S. Government obligations in marketable form which may by law be issued with maturities for periods of 1 to 5 years.²⁶ Special Treasury fund: This includes the following: Postal savings system—law requires that a reserve fund be established and held as a reserve against postal savings deposits. This reserve must be at least 5 percent of the postal saving liability.

Treasury of United States reserve fund.....

Treasury of United States miscellaneous (working) funds.....

Accounts receivable.....

Total.....

Source: Staff of Senate Committee on Expenditures in the Executive Departments, and U. S. Treasury Department.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 679. An act to authorize the admission of Mrs. Julia Balint to the United States; and

H. R. 2360. An act for the relief of Theodore Papachristopoulos.

The message also announced that the House had agreed to the report of the committee of conference on the disagree-

ing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 42) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf coast and creating the Gulf States Marine Fisheries Commission.

UNIFICATION OF THE ARMED SERVICES

Mr. MORSE. Mr. President, before I proceed with my discussion of the sales-tax problem, I wish to make a very brief statement for the record concerning my position on the so-called unification bill

which was voted upon in the Armed Services Committee this morning. I shall speak at some length on the entire problem when the bill is before the Senate for debate.

I voted against reporting the bill favorably to the Senate this morning. I cast the only negative vote. There are many parts of the new so-called unification bill which have great merit, particularly the part of the new bill which embodies former President Hoover's recommendations in regard to accounting. Those provisions have my complete endorsement. I propose, in the substitute bill which will be introduced at an ap-

propriate time, to incorporate what I consider to be the good features of the bill which was reported from the committee this morning, including the recommendations of former President Hoover. I propose to incorporate in the substitute bill the recommendations of some other outstanding authorities in this country who recognize the need for a true unification bill.

But, as I stated in the committee this morning, Mr. President, I could not vote for the so-called Tydings bill, because in my judgment the bill does not, to the degree that it should, take advantage of what I think is not only our opportunity, but our duty, really to unify those services from top to bottom and make perfectly clear once and for all that the American people are a little weary of jurisdictional disputes and jealousies and drives for personal power within the administration of our armed forces.

In my judgment the bill which was reported this morning is completely unsatisfactory, insofar as it does not come to grips, to the degree that it should, with the question of lodging command, so to speak, in the Secretary of Defense so that he truly would have the power to knock the heads together that must be knocked together, if we are to have true unification of our armed forces. The bill does not even scratch the surface of the great procurement problem which confronts us in connection with the armed services. We can save billions of dollars if we really unify the procurement system for the armed services. I am talking about billions of dollars, not millions of dollars.

So I say that, although the bill which was reported to the committee is a step in the right direction, I think the obligation of the Congress is to meet this challenge head-on and enact a unification bill which gives the Secretary of Defense the power which he ought to have as a Cabinet officer, to operate his Department. We have plenty of congressional checks upon any Cabinet officer who, in operating an agency of the Government, seeks to abuse his power or to usurp unto himself power which is not in the public interest. I believe that the idea of providing a great many titles in the Pentagon Building for so-called prestige purposes, which is the argument which ran through a great many of our discussions in the committee, is merely tommyrot. The American people are not interested in form, nor are they interested in brass and braid. The American people are interested in an armed forces establishment which will give them security in time of threatened war. That is what they want.

Mr. President, the American people also know that the time has come for economies in governmental expenditures to be made. Of course we hear much said these days about economy, and in my judgment a great deal of artificial discussion is occurring in the Senate over superficial proposals for economy. It is suggested, for instance, that some magical formula be adopted, perhaps one for a 5-percent cut in all departmental budgets, although heretofore the general assumption has been that the job of bringing about economy in our Gov-

ernment is being done in the committees. Mr. President, if the committees are not doing that job, let us point out specifically, item by item, where savings can be made. As a member of the Armed Services Committee, I stand ready and willing to point out where some savings can be made in the Armed Services Establishment of the United States, so as to result in substantial savings of money. But to do that job we need to recognize the importance of establishing a single procurement system applicable to all the armed forces.

Mr. President, the very suggestion which I make in that respect causes trembles among some of the persons in the Pentagon Building. I know whereof I speak, because when I introduced my bill on that subject several years ago—and in a moment I shall say something about it—I received a call from the Pentagon Building, from a great public servant, who said to me, in substance, "Although I do not mean to imply that I agree with every provision of your bill, Senator, I do want you to know that I think you are making a fine contribution to bringing about economy in the administration of our armed services, with your various suggestions, including your suggestion for a single administration of procurement." I say to the American people, from this desk, today, that unless their representatives in the Congress and in the administration are willing to come to grips with the tremendous waste in the procurement service of our armed forces, in my judgment there is no chance to make any substantial economies in the expenditures of our Military Establishment.

In the committee I heard a most interesting statement along that line by a former Secretary of War, Bob Patterson, one of the greatest public servants of this country within my memory; a man who goes straight to the facts; a man whose integrity, whose intellectual honesty, whose patriotism cannot be questioned; a man who is devoted to preserving the democratic ideal. I do not attempt to quote him verbatim at this time; we shall let the transcript speak for itself, and I do not happen to have the transcript before me at the moment. He said, in substance, before the Armed Services Committee, while we were considering the bill which was reported earlier today, I would have to guess how many millions and millions of dollars were wasted during the war—in fact, Mr. President, as I recall his language, it was, "how many millions and millions of dollars went down the drain as waste, as the result of a two-headed administration of our Military Establishment."

A Senator cannot be a member of the Armed Services Committee, as it has been my privilege to be, without recognizing that the waste in the administration of the armed forces is colossal. It is also inexcusable. Although I think the bill reported by the committee today will, if enacted, bring about some improvement in that situation, it simply does not go far enough; it fails to go as far as I think we have a right to expect the committee to go. It fails in that respect to such a degree that I could not in good conscience sit in the committee and

vote to report the bill, although I wish to pay this tribute to my colleagues on the committee: There is no doubt about the fact that they have worked very conscientiously on the bill and have sought to bring forth at least some conscionable compromise which will be a great improvement over the monstrosity the Senate passed several years ago when it voted for the first armed forces unification bill, which provided for unification in name only. My criticism of the bill which has been reported today by the committee is that it still represents too much of unification in name only, rather than in fact. I have wished to make that statement today because I intend to carry the fight on the floor of the Senate for an armed forces unification bill in fact.

I suppose I shall be defeated when I make that fight, too. Of course, I am used to that. In fact, I am almost tempted to dispense with some of the business before the Senate very quickly, by proposing a unanimous-consent agreement—and, under present circumstances, entering into it all by myself, I suppose—in short, to ask unanimous consent for the immediate displacement of the measure now before the Senate. Were I to offer such a unanimous-consent agreement, I imagine the swinging doors to this Chamber would begin to swing very rapidly. I even see the Senator from Wyoming [Mr. HUNT] already on his feet.

But, Mr. President, the point I wish to make—and I do so good naturedly—is that I am used to carrying the people's case on these issues in the Senate—and sometimes I do so very much alone. I notice, however, that when some of my colleagues go into the campaigns, they do some very fast rationalizing in regard to the action of the Congress in failing to meet some of these issues head-on. As I say, we are failing to meet the issue of true economy and true unification in the armed services of the United States.

Mr. President, it is said that the expenditures required for our Military Establishment amount to \$15,000,000,000. Fifteen billion dollars does not cover the expenditures for our Military Establishment, because in addition to \$15,000,000,000, we must add the deficiency appropriations which the Congress makes months after it passes the first appropriation bill for the Military Establishment. We are kidding the American people, we are almost guilty of practicing deceit upon them in connection with the waste we are permitting to be continued in the administration of our armed services. We should tell the American people that it not only cost \$15,000,000,000 to maintain the armed services, but it costs several billion dollars more, in the form of deficiency appropriations.

Certainly I favor economy in government, and in a moment I shall have something to say on that matter in connection with the District of Columbia sales tax. But I shall put into the RECORD now, for the benefit of those who will read it, this charge: Unless the Congress does something about decreasing the over-all expenditures for armaments in the United States, we cannot keep a free economy forever.

Mr. President, I wish to refer for a moment to a few simple economic laws. I speak to a great many businessmen's conventions. Invariably they have a great deal to say about the operation of the law of supply and demand and about the need to return to the principles of a free economy. I say from this desk today to the American businessmen that we do not now have a free economy. The economic law of supply and demand is not working in the United States, and cannot work in the United States, and never will work in the United States so long as we have to spend for the operation of our Military Establishment anywhere near \$15,000,000,000 of the total national budget.

I shall continue to vote for every dollar that is needed to keep America secure, or as secure as we can keep it, against the threatened spread of the form of totalitarianism known as communism. I am perfectly aware of that threat; and one cannot sit on the Armed Services Committee, one cannot be briefed in regard to the security problems—as we in the committee are briefed in regard to them frequently, off the record—without realizing that no man can sit on that committee, or for that matter in the Senate, and safely relinquish for a moment constant vigilance in regard to keeping America strong, in order to keep her secure. That, however, does not justify waste. That does not justify using a fear argument to get political support in the country for expenditures which the facts do not substantiate. If it is going to take \$15,000,000,000, and the boys at the Pentagon Building can get the waste out of their expenditures, I will vote for it, if they can prove the need for it. Mr. President, it grieves me to vote for \$15,000,000,000 when great authorities, such as President Hoover and "Bob" Patterson, come before the Armed Services Committee and give us testimony, which I am willing to accept because I am certain they know the facts, that there is enormous waste.

So I would say to my colleagues on this side of the aisle, as well as to my Democratic friends on the other side of the aisle, here is another great opportunity to take up an issue that belongs to the American people and treat it non-partisanly. Here is an opportunity to eliminate from our discussion of economy, so far as the armed services are concerned, any attempt to gain party advantage. Let us save the money for the people. Some way, somehow, I have the notion that that is what we were sent here to do, along with other things, irrespective of whatever party allegiance we may owe.

Mr. President, many months ago, in the Eightieth Congress, I introduced a bill for the unification of the armed services; not as a perfect bill; I said so at the time. I was perfectly willing to consider amendments to it. I did not write the bill, but I had some very able and expert help from men who know, because they have been a part of it, what goes on in the Pentagon Building in the administration of the armed forces. I reintroduced the bill this year. Do you know when, Mr.

President? On January 5, rather early in the session, would you not say? When the report of the Armed Services Committee is examined, one will not be able to find from the deliberations of the committee any cause to believe that Senate bill 108 was introduced on January 5. I do not have any objection to any committee in the Congress taking from any measure I introduce suggestions which they may think are good. I have no pride of authorship. If I introduce a measure, and then a committee, or a Member of the other party takes entire sections out of it and incorporates them in another bill, and the credit of that committee or of that Member of the Senate helps push through the Senate needed reform, I shall always welcome making that type of contribution.

Mr. President, I think the Armed Services Committee ought to be able to present a written record showing what is wrong with Senate bill 108. But except for such comments as I made in the committee, there will not be found in its printed record any evidence that the committee ever even gave careful consideration to S. 108. The drive was to push the Tydings bill through the committee.

It is pointed out that I did not attend some of the meetings of the committee, particularly those held on afternoons when the Senate was in session. That is true. However, the members of the staff of the committee will testify that I kept myself informed as to what happened. As the Presiding Officer knows, a great deal of my time has been devoted in this session of the Congress to labor legislation. But I attended some of the morning sessions of the Armed Services Committee, and when I discovered, what was perfectly clear, as to the final position of the committee, I served notice that if that was the type of legislation they were going to report, they might as well count me out, and I would introduce as a substitute what I considered to be a true unification bill. That I shall do, in due course of time.

But one word, by way of advance rebuttal, Mr. President. I know that if it is not said on the floor, it will be said in the cloakrooms, that the junior Senator from Oregon did not attend those meetings of the committee that were held on afternoons when the Senate was in session. Indeed I did not. I did not do it because of a point of view I have expressed several times on the floor of the Senate. That is, I am not going to sit, as a member of a committee, unless circumstances are truly extraordinary and of emergency character, in a committee hearing, while the people's business is supposed to be transacted on the floor of the Senate of the United States. I say the holding of committee meetings as they are being held this afternoon while the Senate is in session not only violates the spirit and intent of the Legislative Reorganization Act of 1946; it violates its direct language, as evidenced by the fact that every time a committee meets its chairman has to come on the floor of the Senate to ask consent to meet while the Senate is in session. The fact that the right to do that was preserved in the Reorganiza-

tion Act of 1946, was in order to cover the exceptional case, not to provide a general rule. But the section of the Reorganization Act of 1946 which sought to bring to an end what we are witnessing here today, the meeting of many committees while the Senate is in session, might just as well not have been written into the law, because almost every day when the Senate is in session there are many committees meeting, with the result that the Senate floor is rapidly ceasing to be what the founding fathers intended it to be, a forum for the discussion of views before men with open minds, not previously committed and tied down and pledged to vote for a piece of legislation irrespective of what is said on the floor of the Senate. I happen to believe that I know the American people do not approve of the way we have scuttled the Legislative Reorganization Act in respect to this practice of the Senate. I think I am right also when I say that the American people expect us as Senators to be in the Senate to participate in the debates with open minds, and to be willing to change our minds on the basis of facts as they are presented on the floor of the Senate.

But, Mr. President, so long as the present general attitude and practice prevail in the Senate, I shall continue to speak to the RECORD and build up the RECORD, issue by issue, on behalf of what I think is the people's interest, and then let them determine at the ballot boxes in my State and in other States whether they approve of the fight which the liberals on both sides of the aisle in the Senate of the United States are constantly and consistently making in trying to carry out the true principles of republican government. If Congress seeks only to give effect to what I call a threat to republican government in the United States, namely, government by pressure groups, I think we better make that issue very clear to the voters in the various States, because I know what their answer will be.

Mr. President, one final word in regard to the armed forces bill. When it comes to the floor of the Senate I hope that Members of this body will go to the written committee record and not do, as we so frequently do, make the assumption that, because the bill has been reported favorably by the committee, the presumption is in favor of the bill. I say, Mr. President, that if Members of the United States Senate really want to give true unification to our armed services and bring about genuine economy, they will not give the committee bill any presumption one way or the other, but they will approach the unification problem tabula rasa, and let the facts be developed on the floor of the Senate as to the type of bill we should have.

DEPARTMENT OF DEFENSE—REPORT OF A COMMITTEE

The following occurred during the delivery of Mr. MORSE'S address:

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. MORSE. I am very happy to yield, with the understanding that I will not lose the floor.

Mr. TYDINGS. Will the Senator allow me to propose a consent arrangement

whereby I might introduce a bill, with the understanding that the Senator would not lose the floor?

Mr. MORSE. I shall be very happy to do so, because I hope it is the bill on the armed services, about which I have already expressed my opinion, which, as the Senator knows, is an opinion of disapproval.

The PRESIDING OFFICER. Without objection, the Senator from Oregon yields to the Senator from Maryland, with the understanding that his right to the floor will not be prejudiced.

Mr. MORSE. And with the further understanding that the discussion of the Senator from Maryland and any colloquy it produces shall follow immediately after my earlier remarks on the unification bill.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, it is so ordered.

Mr. TYDINGS. Mr. President, from the Committee on Armed Services, I report an original bill and I submit a report (No. 366) thereon.

The Committee on Armed Services having had under consideration amendments to the National Security Act of 1947 report favorably a bill (S. 1843) to convert the National Military Establishment into an executive department of the Government, to be known as the Department of Defense; to provide the Secretary of Defense with appropriate responsibility and authority, and with civilian and military assistance adequate to fulfill his enlarged responsibility, and for other purposes, and we recommend that the bill do pass.

I send to the desk the bill and the report.

I should like to say that the report and the bill come from the committee with a vote of 12 in favor to 1 against.

The PRESIDING OFFICER. Without objection, the report will be received and the bill will be placed on the calendar.

There being no objection, the bill (S. 1843) to convert the National Military Establishment into an executive department of the Government, to be known as the Department of Defense; to provide the Secretary of Defense with appropriate responsibility and authority and with civilian and military assistance adequate to fulfill his enlarged responsibility, and for other purposes, was read twice by its title and placed on the calendar.

DISTRICT OF COLUMBIA REVENUE BILL

The Senate resumed the consideration of the bill (H. R. 3704) to provide additional revenue for the District of Columbia.

Mr. MORSE. Mr. President, I now turn my attention to the pending bill. It is no news to this body to hear the junior Senator from Oregon say he is opposed to sales taxes in principle. It is no news to this body to hear the junior Senator from Oregon say that one of his fears about the proposal for a sales tax in the District of Columbia is that it establishes a precedent for the possibility of a Federal sales tax.

Mr. President, in this Nation we are getting ourselves into a very serious fiscal condition. We have a tremendous na-

tional debt, with much indication that it is going higher and higher if certain world trends make it necessary for us to spend additional billions of dollars in the fight for the peace. Of course, we must get ourselves into a position so that we can meet that emergency, if necessary, and have the soundest possible dollar with which to meet it. We should come to grips with tax reform in America. We have not done so. For years, in my judgment, the Democrats and the Republicans have played cheap politics with the tax issue. The Democrats, in the main, so far as their party strategy is concerned, have been playing politics on the principle of "soak the rich," with the result that we now have in our tax structure some inequities which amount to what I consider to be confiscation of wealth, not taxation on the basis of ability to pay. On the other side, I wish I could say that the Republican Party has followed a statesmanlike course of action in regard to taxation, but it has not. It has played politics with the issue by making great pretense about economy, about tax reduction. It has even gone so far that the CONGRESSIONAL RECORD will show that on one occasion a statement on the floor of the Senate from this side of the aisle was made that the proposals which the junior Senator from Oregon offered for tax reform were highly meritorious, but they involved proposals for tax revision, not tax reduction. If that statement had been made in any freshman economics class in taxation in any college in the country the spokesman would have been laughed out of the room, because, and I repeat what I have said before, we cannot have real tax reduction except in terms of tax revision, eliminating inequities from the existing tax laws.

When I talk about real tax reduction, Mr. President, I use the word "real" in the same technical sense in which it is used when we speak of real wages. The wage earner has been too much interested in his money wages rather than in his real wages. He has been too much interested in higher hourly rates of pay rather than in terms of what his wage dollar will buy, because in an economic sense real wages, of course, can be gauged only from the standpoint of the purchasing power of the dollar, which rests, of course, upon the soundness of the dollar.

Those are simply elementary economic principles; but I sometimes despair of even elementary economic principles being given due consideration in the Senate of the United States, particularly when two great parties have been motivated primarily by trying to get votes on the basis of their uneconomic proposals concerning the problem of taxation.

So, once again, this year, perhaps more discouraged than before, but not at all in a spirit of defeatism, Mr. President, I shall offer the tax program of the Committee for Economic Development, from top to bottom, and I shall issue again the challenge in the Senate of the United States for any Senator to stand up and offer a better tax program. Until that is done—I shall go further than that—until some of the Members of the Senate can stand up and point out any serious

economic holes in the program of the Committee for Economic Development, I shall say it is the duty of this session of Congress to consider the need for tax revision, and stop this political talk about tax increases or tax reductions in terms of tax rates and tax percentages.

Have we not had enough politics in taxation, Mr. President? Is it not about time, with the mounting danger to our economy which the pressing fiscal problems are bringing about, that we lessen the danger to a free economy by a top-to-bottom revision of the tax structure, to the end of really putting into practice what has become, I think, a politician's slogan—"Ability to pay?" It ought to have a richer economic meaning, and one can be given to it if we remove the inequities from our tax structure, if the Democrats stop their drive of political propaganda on a soak-the-rich theory, and the Republicans stop talking about percentage tax reductions and come forward with a constructive tax program for a revision of the tax structure. I say, until Congress does that, until both parties do it, danger to a free economy as the result of unsound attitudes is going to mount from year to year.

I like to say to the businessmen of the country—and they cannot successfully rebut the statement—that it is about time conservative businessmen look to the liberals in the Congress to protect our free economy. On the record, as one will find if he goes to the record, it is the liberals in the Congress who are fighting for the fiscal reforms which are necessary to stabilize the dollar. It is the liberals in the Congress, who have been proposing for the past several years a complete overhauling and revising of the tax structure. Who in the Congress but the liberals have been saying, not only to the Congress but to the businessmen of America, "Why do not you get behind the proposal of the Committee for Economic Development which proposes a 5-year carry forward on losses for the present carry-back on losses?"

Mr. President, you have heard me say before what I am about to say, but the truth has to be repeated time and time again in order to get people to start thinking in terms of the truth, rather than of political propaganda on taxation. I utter this truth again, that if we had to pick just one amendment, if we were limited to just one amendment, if we would pick the amendment of the Committee for Economic Development that proposes the 5-year carry-forward on losses, it would be the greatest possible incentive to American business to risk its venture capital in new wealth-creating industry and economic projects so essential if we are really to protect the value of the dollar.

Or take the proposal of the committee for a modification of the present inheritance tax structure. The Democratic Party, as a tax policy, has permitted the rates to become so high that today they are in the nature of confiscation. American labor needs to recognize that its standard of living is endangered by the continuation of the present inheritance tax structure. What is happening is that the small fellow who is subject to

the inheritance tax, that is, the man with the wealth that gets him into the inheritance tax structure, is not being provided with the incentive which he needs in order to free, in order to liquefy, what now is frozen capital, what should be producing capital, what should be venture capital, what should be capital that is put to work in support of programs which will create new jobs and new wealth out of which workers can expect and hope to maintain and perpetuate their standard of living.

Since I wish to devote most of my attention to the sales-tax problem, I am not going to take time this afternoon to go through the various amendments on taxes proposed by the Committee for Economic Development. I understand the Committee for Economic Development is coming forth shortly with certain revised suggestions of its report on taxes. I have been confidentially informed as to some of the suggestions, and I wish to serve notice here and now that it is my intention, when the report this year is publicly released, to put it in the form of a tax bill, and once again, for the third time, to offer the tax program of the Committee for Economic Development to the Senate.

Mr. President, I shall await with interest the objections which can be raised to the report on the floor of the Senate, because the past two reports of the Committee for Economic Development have been presented to the Senate, and one will read the RECORD in vain to find any Member of this body who was able to find any fault with the recommendations of the committee, or at least who was willing to express any disagreement with them. How did we treat the recommendations of that great body of public servants on that committee? Except for those of us who urged the adoption of the recommendations of the committee, we treated them with the thunders of silence.

It is rather interesting, Mr. President, that so many sound proposals, particularly sound, liberal proposals, are treated in the Congress of the United States with the thunders of silence. That has been the experience of liberals in the Congress of the United States for decades gone by. Eventually their point of view prevails. But frequently so much time has elapsed between the proposals and their final acceptance that the American people have suffered untold hardships and losses because of the failure of the majority of the Congress to keep up with a liberal point of view.

I am going to offer the tax proposals of the Committee for Economic Development, composed, for the most part, as Senators know, of outstanding American businessmen and industrialists and economists—not of Government employees or officials at all, but of American industrialists and businessmen, of American economists—as the soundest liberal program for tax revision the Congress of the United States can consider. If we would adopt the program, we would go a long way toward eliminating the inequities in our present tax laws which are today endangering the fiscal soundness of our Government.

It is such tax reform, and it is such principles of tax reform, that should be eliciting the attention of the Senate now as we consider the revenue problems of the District of Columbia. But what are we doing instead? In my judgment, we are running away from the real obligation we owe not only to the people of the District of Columbia but of the country. In my judgment, we are adopting tactics toward the District of Columbia we could not get by with in our own States. In the last analysis, the Congress is the city council of the District of Columbia. But we happen to be in the position of a city council that cannot be held to responsibility by the citizens for whom it acts, because we have not had the courage and the foresight and the statesmanship in the years gone by to give to the citizens of the District of Columbia the elective franchise, which every American ought to enjoy. [Manifestations of applause in the galleries.]

The PRESIDING OFFICER. Let there be order in the galleries.

Mr. MORSE. Mr. President, we talk about discrimination in this country based upon race, color, and creed. We ought to be talking also about civil rights in regard to the right of the citizens of the District of Columbia to vote. We are denying them what I think is a precious civil right because of a discriminatory policy which the Congress of the United States has held toward them.

Mr. President, what do Senators think would happen if we offered to the citizens of the District of Columbia that good old American right to vote on this issue? I have been a little amused today, because I have said, in good humor and facetiously, or as we say in the cloakroom, in a joshing way, to some of my very close friends in the Senate, "How would you like to give the people of the District of Columbia a chance to vote on the question of the sales tax?" Senators know the answer. We know that if we put the question to any Member of the Senate he would tell us he would take it for granted that if we put the sales-tax proposal contained in this bill to a vote of the residents of the District of Columbia they would vote it down.

That is a nice business, is it not? We are not responsible to them. They cannot do anything to us. We do not have to fear the vote of a single resident of the District of Columbia. But we sit here in an almighty attitude, as an oracle, and we say to the taxpayers of the District of Columbia, "This sales tax will be good for you. Just swallow it and see what happens to you." There are many persons who are not going to like the taste of that medicine because of the hardship it will cause them.

Mr. President, I am somewhat surprised to find as champions of the sales tax so many spokesmen of the Democratic Party who some way, some how, were successful prior to last November 2, in creating the impression that the Democratic Party is the little fellow's friend. I wonder what the little fellow in Washington, D. C., thinks about it. I wonder what the little fellow across this land will think when he becomes aware of the fact that the pressure for the sales tax

in the District of Columbia has been primarily a Democratic pressure. And as to all the professions of the Democratic Party about being the guardian angel of the little man's interest, I wonder if the little fellow in regions of the country where he has the right to vote will not see through this kind of business and recognize that Democratic leaders were willing to put this tax upon people who had no right to vote on the question or to exercise what I think ought to be the right of representation if there is to be taxation. That is a rather historic doctrine in our system of government, and this is the first time we have so distorted the principle of ability to pay in the District of Columbia taxation system. The Congress has said to the citizens of the District "You are going to have to take it and like it." I simply say it is a fact, Mr. President, that the Eighty-first Congress does not dare let this issue go to a referendum in the District of Columbia. I think we should let the question go to a referendum. If we are going to impose taxes without representation I believe we should at least try to get an advisory opinion from the people. Of course, I know I am talking about a hypothetical proposal which does not have the slightest chance of becoming a reality, because I know that the proponents of this sales tax know they could not win if they submitted it to a vote.

It has been very interesting to note in sections of the country where the good old system of direct democratic government still lives, where the right of the people by initiative and referendum to protect themselves against politicians still lives, what the people have done to sales taxes. As a general rule the vested interests that profit by passing a tax burden to the backs of the low-income people of the country do not like the initiative and referendum, because they cannot get by with their selfishly motivated proposals when the people come to understand the facts and have an opportunity to register their views at a secret ballot.

So I close this point by saying that to me the \$64 answer to the \$64 question in this debate, "What would the residents of the District of Columbia do with this proposal if we should let them exercise the referendum?" is unquestionably that they would vote "No" by an overwhelming majority. In my State this type of taxation has been tried four times, and the people of my State defeated it the last time 3 to 1. If it is tried again, we will defeat it again, because it is premised upon a basically unsound taxation principle. If we were to work on a tax-revision program designed to take the inequities out of our tax structure, there would not even be the paper argument, plausible as they try to make it, available to the proponents of the sales tax, because if we were to revise our tax structure on a true ability-to-pay basis there would be the funds to balance the budget and to meet the fiscal needs not only of the District of Columbia, but of the Nation.

I could speak at great length on this issue, but to do so would be repetitious of the arguments already made by those

opposed to the sales tax. I have on my desk an analysis of the sales-tax proposal for the District of Columbia prepared by the Americans for Democratic Action for the District of Columbia. In offering this analysis for the RECORD, which I now do, I make their arguments a part of my argument, and associate myself completely with the analysis of the Americans for Democratic Action in opposition to the sales tax.

Perhaps my offering the arguments of the Americans for Democratic Action may appeal to some as being a little humorous and possibly amusing. Many people have come to look upon that great organization as a sort of political army for the Democratic Party. I have never so regarded it, but I am sure that many of my Republican colleagues think it is; in fact, as I recall, we had a debate on the floor of the Senate not so long ago which gave that general impression. I have noticed that in a good many States the Americans for Democratic Action have tried to take a nonpartisan or at least a bipartisan, approach to great liberal issues. They have given their support to Democratic liberals and Republican liberals alike who have been trying to put into effect minimum controls and regulations of Government necessary to protect the people as a whole from selfish interests, which always have to be watched in their attempt to pervert and distort the private economy system into a system of license to exploit the general public for the economic gain of the owners of wealth.

So, Mr. President, I ask unanimous consent to have incorporated in the RECORD at this point in my remarks the analysis of the sales-tax proposal prepared by the Americans for Democratic Action of the District of Columbia, in opposition to the District of Columbia sales tax.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

AMERICANS FOR DEMOCRATIC ACTION'S STAND ON DISTRICT OF COLUMBIA REVENUE—AGAINST A SALES TAX—FOR AN INCOME TAX

1. There is no doubt that the District of Columbia government needs more revenue, not only to meet the inadequate budget submitted to Congress but also to finance the overdue pay raise for District employees and to provide much-needed improvements in educational, health, and welfare services.

2. There is no doubt, either, that the additional revenue can be raised, fairly, and without undue burden on the people of the District. The District is a rich community, with income per person 60 percent higher than the average for the United States. The people of the District are lightly taxed—on almost every kind of tax—the rates in the District are lower than in most States. The "crisis" in the District finances is a fiction, invented to alarm the people and the Congress into accepting a sales tax as the only means of balancing the budget.

3. But a sales tax is one of the worst means of balancing the budget. It is widely recognized as a bad tax anywhere, to be imposed only when there is no alternative. It is bad because, even when food and medicines are exempt, it bears most heavily on those least able to pay, and most lightly on those who can best afford it. From the typical low-income family, which spends its income on essentials of living and even then often goes

into debt, the sales tax takes money needed for those essentials. Even in 1947, the typical Washington family with income of \$3,000 or less paid more than \$100 in direct personal taxes and went into debt. This included more than 20 percent of Washington families. From the typical high-income family on the other hand, the sales tax takes only a small fraction of the surplus which goes into savings. In 1947, Washington families with \$6,000 and more showed average savings of over \$500. This can be demonstrated by official statistics of incomes and expenditures in the District. Low-income families are already hard pressed by high living costs and heavy burden of direct and indirect taxes; they should not be burdened further.

4. A sales tax is cumbersome (most merchants would have to keep elaborate records of sales of taxable and tax-free items), and expensive to administer (a large sum would have to be paid to the merchants to collect it). It is an unnecessary hardship on both the merchants and the people.

5. The proposed sales tax, even when it reached its full yield in 1951 and after, would not raise enough to support the increase in the budget which will certainly be required in later years, if only to meet the needs of a growing school population. If Congress were to pass the proposed sales tax, the District would be back again in a year or two with a new crisis.

6. Fortunately, the District has available to it a superior source of revenue: a graduated personal income tax. The present District income tax is a farce, with absurd and unjust exemption of Federal employees who claim a legal residence in another State. There is no constitutional, legal, or financial reason why the District should not have a general income tax that will yield all the revenue that is needed. With a concentration of incomes in the middle brackets, the District is in an ideal position to use such a tax, which places the burden of additional revenue on those best able to bear it.

7. An income tax with the same exemptions as now in the District law, and with rates comparable to those in Virginia, would raise \$19,000,000, which is \$14,000,000 net of the present income tax and unincorporated business tax (which it would supplant) and more than the full yield of the sales tax. With rates comparable to those in New York State, it could raise \$24,000,000, or \$19,000,000 net. And these rates are not exorbitant; in many States the rates are higher. The problems of residence versus domicile and the problems of double taxation can be avoided by provisions such as those now incorporated in H. R. 1385.

8. Additional revenues of more than \$2,000,000 can be raised by doubling the beer and liquor taxes, which are now almost the lowest in the country and would still be among the lowest even if they were twice as high.

9. The Federal payment in lieu of taxes is too small, considering what it was in the past and considering the increase in the cost and scope of municipal services. A payment of \$17,000,000 (\$5,000,000 more than at present) would be only about 16 percent of the proposed budget. (Twenty years ago, the Federal Government paid more than 25 percent of the District budget).

10. Prudent, conservative financing, to avoid recurrent crises and hand-to-mouth financing, requires a tax structure that will provide for increasing revenues and a margin for larger budgets that are sure to come. Equity, and indeed common decency, requires that the additional revenues come from those best able to pay them. An income tax satisfies both requirements; a sales tax satisfies neither. Do not be misled by those who plead for sales tax because it is the only solution (and incidentally will cost them less), and who oppose an income tax because it is im-

practicable. If an income tax is practicable in two-thirds of our States, it is practicable here.

Mr. MORSE. I shall read the first three points made in the analysis or report. I have no doubt that if we took a poll of the District of Columbia Chapter we probably would find that at least 90 percent of them were Democrats. Perhaps the percentage would be higher. I am almost sure that in my State it would be about 95 percent. I understand also that they are all opposed to me. So I doubly enjoy introducing this argument of the Americans for Democratic Action, because not even political opposition causes me to run away from the truth once I am satisfied that a certain proposition is true. I commend the Americans for Democratic Action, even though I may find them in the camp of my opposition in 1950, for preparing such a sound analysis in opposition to the District of Columbia sales tax. They say in this analysis:

1. There is no doubt that the District of Columbia needs more revenue, not only to meet the inadequate budget submitted to Congress, but also to finance the overdue pay increase for District employees and to provide much needed improvements in educational, health, and welfare services.

2. There is no doubt, either, that the additional revenue can be raised, fairly, and without undue burden on the people of the District. The District is a rich community, with income per person 60 percent higher than the average for the United States. The people of the District are lightly taxed; on almost every kind of tax the rates in the District are lower than in most States. The "crisis" in the District finances is a fiction, invented to alarm the people and the Congress into accepting a sales tax as the only means of balancing the budget.

Let me say that the District of Columbia does not know what a depression is. The businessmen of the District of Columbia do not know what a depression is. Governmental operations themselves assure rather healthy economic conditions in the District of Columbia, which is the capital of the world, when other sections of the country are from time to time in the depths of a serious, bankrupting depression. When I listen to some District of Columbia business men rail against the suggestion that there should be the slightest increase in business taxes in this community, I say to myself—and to one or two of them on occasion I have said directly—"Oh, what selfishness can do to a man's thinking."

The business fraternity of this city does not begin to appreciate the level of economic stability that it is able to enjoy because of the continuity of governmental operations in the District. Yet they cry to high heaven when anyone suggests that business taxes and income taxes might be increased a little. Read last night's Washington Star editorial. It is enough to nauseate one, Mr. President, to think that such propaganda can be fed through the editorial columns of a newspaper. I wonder what the District of Columbia newspapers would do if in the sales-tax proposal newspapers were not exempted. Then we would have read an editorial which I could almost dictate. What a threat to freedom

of the press and the dissemination of knowledge such sales tax would be. I think it would be a good thing to put a little higher tax on the newspapers, because they have enjoyed considerable prosperity in the District of Columbia.

Mr. McGRATH. Mr. President, will the Senator yield?

Mr. MORSE. I am happy to yield for a question.

Mr. McGRATH. If the Senator from Oregon is willing to offer an amendment to include a tax on newspapers, I am quite sure the committee would be willing to accept it.

Mr. MORSE. Mr. President, I would not think of offering an amendment to a sales tax bill which would permit the continuation of the principle of a sales tax. I think too much of my duty to the people of my country to adopt any such principle of taxation as that which the distinguished Senator from Rhode Island [Mr. McGRATH], the chairman of the Democratic National Committee, has agreed to by means of this bill. I do not think the Senator from Rhode Island was in the Chamber a short time ago when I paid my "compliments"—and I use the word in quotation marks—to the Democratic Party's position on the pending sales-tax bill; but when the Senator reads my statement in the RECORD tomorrow, he will know that I did not give it my endorsement.

Mr. President, I wish to read the third point of the recommendations of the District of Columbia Chapter of Americans for Democratic Action. That group, consisting predominantly of Democrats, say:

3. But a sales tax is one of the worst means of balancing the budget. It is widely recognized as a bad tax anywhere, to be imposed only when there is no alternative. It is bad because, even when food and medicine are exempt, it bears most heavily on those least able to pay, and most lightly on those who can best afford it. From the typical low-income family, which spends its income on essentials of living and even then often goes into debt, the sales tax takes money needed for those essentials. Even in 1947, the typical Washington family with income of \$3,000 or less paid more than \$100 in direct personal taxes and went into debt. This included more than 20 percent of Washington families. From the typical high-income family on the other hand, the sales tax takes only a small fraction of the surplus which goes into savings. In 1947, Washington families with \$6,000 and more showed average savings of over \$500. This can be demonstrated by official statistics of incomes and expenditures in the District. Low-income families are already hard pressed by high living costs and heavy burden of direct and indirect taxes; they should not be burdened further.

We have in that statement paragraph after paragraph of sound economic doctrine, as stated by the local chapter of Americans for Democratic Action. Those statements drive one hole after another right through the body of this proposed sales-tax hold-up of the people of low incomes in the District of Columbia.

On the House side of the Capitol Building some very valuable alternative sug-

gestions have been made for raising revenue in the District of Columbia. I ask unanimous consent to have inserted at this point in the RECORD a communication entitled "Alternative Revenue Plan for Washington," and I say to the proponents of this sales-tax bill that it is their obligation to show why that plan cannot be adopted in order to raise the revenue needed without burdening the poor people of the District of Columbia with a sales tax.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

ALTERNATIVE REVENUE PLAN FOR WASHINGTON
(By six Members of the House of Representatives)

Your editorials, Pauperized Washington, of March 16, and A Ward of Congress, of March 19, charged that the Members of the House of Representatives who voted down the sales tax showed not the slightest regard for the real financial problems (of the District) and that their action was irresponsible.

Editorials like these serve only to confuse issues. We should like to take this opportunity to present a revenue program which will demonstrate that the situation is not as desperate as your newspaper would have the public believe. This program would yield more revenue than the sales-tax measure recently rejected by the House. It is also superior to the sales tax because it is more equitable, easier to administer and will provide the basis for expanding revenues in the future to provide necessary services for District residents.

The program consists of the following: a broadened personal income tax which will tax all persons who reside in the District; a somewhat higher property tax; a larger Federal payment; and authorization to finance long-term improvement by borrowing.

The income tax and property tax features of this program are included in six identical bills which we introduced in the House last Tuesday. The increased Federal contribution and the repeal of the law of 1873 prohibiting the District from borrowing, will be included in other legislation.

The District of Columbia already has the elements of a good personal income tax. This produces a small amount of revenue at the present time because employees of the Federal Government domiciled elsewhere are specifically exempt. If this exemption for Federal workers were eliminated, the personal income tax would immediately yield at least an additional \$5,000,000 a year.

Opponents of a broader income tax have argued that it would result in double taxation, since some residents of the District pay tax to their home States. This double taxation charge is simply not true. Existing law already provides a credit for residents of the District who pay tax to other States for the full amount of such taxes paid.

Without further amendment, the law would provide the same credit to persons who would be subject to tax under the broadened income tax proposed here. Double taxation would, therefore, be impossible.

As a matter of fact, the credit for taxes paid to other States will not greatly reduce the yield of the tax for the following reasons: First, most District residents, who are subject to income tax in their home States do not pay that tax because enforcement by State authorities is difficult and expensive.

Second, a few States do not tax domiciliaries if they do not reside there—for example, California and Idaho. New York exempts them providing they do not spend

more than 30 days a year in the State. Third, 17 States do not levy a personal income tax and 2 States, New Hampshire and Tennessee, tax only income from intangibles. In total, double taxation of salaries earned by Federal Government employees is not possible in at least 22 States, even without the credit in the District law.

The estimated \$5,000,000 yield which would be obtained from the broadened income tax does not exhaust its revenue potentialities. Revenue can be increased by raising the rates and increasing progression. For example, the income tax provisions of the bill introduced last Tuesday would raise an additional \$10,000,000, or a total of \$15,000,000 more than the revenue from present law, when the \$5,000,000 produced by broadening the base is included.

In the immediate situation, it would be unnecessary to increase rates to higher levels than those provided under the new bill. It is well to note, however, that the rates in this bill are by no means excessive in comparison with rates in other States. Thus, the income tax could be made to produce even higher revenues without unduly burdening District residents.

Increased revenue requirements can, therefore, be met by way of the income tax even if this bill were adopted. Clearly, it is prudent and sound policy to anticipate the need for further revenue and there is no more equitable way to provide for such expansion than by the income tax.

Proponents of the sales tax will argue that Congress has voted down a comprehensive income tax in the past and will also point out that the Klein bill was defeated by the present House during the sales tax debate. The performance of past Congresses is, however, no indication of how the new Congress will act, nor can the vote on the Klein bill be taken as conclusive.

The vote on the Klein bill was less than half the total vote on the sales tax. A number of influential Members of the House have stated publicly that they support a sales tax only as a last resort. If they were to vote for the newly introduced bill, their vote added to the vote polled against the sales tax would be sufficient to pass that bill by a substantial margin.

The property tax in the District of Columbia may be low by comparison with other large cities in the country. There is no easy method to make such a comparison since the valuations in the various cities differ substantially. Even if it is granted that the District property tax is relatively low, this is by no means a justification for increasing it substantially.

Basically, the property tax is subject to the same criticism as the sales tax: it tends to be more burdensome on low-income families than on those in the higher income levels. Moreover, under rent control, a large increase in the property tax rate is likely to be fully shifted to renters, many of whom are already hard pressed by high prices for the necessities of life.

In view of these considerations, the property-tax rate might be increased, but in the interest of equity, by no more than 25 cents per \$100 assessed valuation. This would mean a 12.5 percent increase, or about \$4,000,000.

The Federal contribution to the District of Columbia has varied considerably since it was formally adopted. The first formula, adopted by Congress in 1878, provided a contribution of 50 percent of total District expenditures. This formula remained unchanged until 1921, when Congress reduced the Federal contribution to 40 percent of District appropriations. However, the 40-60 formula was superseded by lump-sum contributions beginning in 1925.

Lump-sum contributions have varied as follows since the fiscal year 1925:

Fiscal years:	
1925-30.....	\$9,000,000
1931-32.....	9,500,000
1933.....	7,775,000
1934-36.....	5,700,000
1937-39.....	5,000,000
1940-46.....	6,000,000
1947.....	8,000,000
1948-49.....	¹ 12,000,000

¹Includes \$1,000,000 contribution to the water fund.

During the period 1925-30 expenditures from the general fund varied between thirty million and forty million, and the nine-million contribution of the Federal Government in these years varied between 21 and 32 percent of general-fund expenditures. The general fund has reached almost ninety million in the current fiscal year, and the Federal contribution to the general fund of eleven million is only slightly more than 12 percent.

There seems to be no question that a significant proportion of the increase in expenses is due to the increased cost of services to the Federal Government. Such costs have increased both because the Federal Government has enlarged its property holdings and also because the costs of running local government, like all costs, have been increased by the war and the postwar rise in prices. Clearly, it would be unfair to expect District residents to pay for higher costs of services rendered to the Federal Government.

Whether or not a formula is reintroduced or the lump-sum contribution is continued, it is obvious that the present 12,000,000 contribution is wholly inadequate. A minimum increase of 5,000,000 in the permanent contribution is essential.

The District government must finance all long-term improvements and construction projects out of current revenues. Elsewhere in the country, such improvements are almost always financed out of borrowed funds. Private business also finances long-term construction either by issuing bonds or by borrowing from banks or insurance companies. This practice is so widespread because it is a sound and businesslike approach.

Necessary improvements and construction projects in the District have been delayed by the wartime and postwar shortages. The need for many improvements is urgent and cannot be put off longer without seriously undermining the education, hospital, public welfare, and other programs. It would be impossible to provide even for minimum needs out of current revenues. The District is one of the wealthiest communities in the country, and its credit rating would be excellent. It is, therefore, both essential and safe to permit the District of Columbia to borrow funds for construction of long-term improvements.

In summary, the revenues which might be obtained from the sources enumerated above are:

Personal income tax.....	\$15,000,000
Property tax.....	4,000,000
Subtotal from District sources.....	19,000,000
Federal contribution.....	5,000,000
Total from all sources.....	24,000,000

The financial situation in the District is by no means desperate, with revenue possibilities of these magnitudes available to be tapped. The program outlined above is a moderate and equitable one and, as already noted, will provide substantially more revenue than the sales tax. Its adoption would enable the District to proceed with plans for improvement in current services to District residents. If, in addition, it is allowed to borrow funds for construction purposes, the

District will have the elements of a sound fiscal structure which can well serve as a model to other communities, as it should.

JOHN F. KENNEDY,
Massachusetts.
W. K. GRANGER,
Utah.
FRANK BUCHANAN,
Pennsylvania.
GEORGE P. MILLER,
California.
ARTHUR G. KLEIN,
New York.
JAMES H. MORRISON,
Louisiana.

WASHINGTON.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a document entitled "Yield of Personal Income Tax in the District of Columbia as Proposed in the Minority Bill of the House District Committee."

There being no objection, the document was ordered to be printed in the RECORD, as follows:

YIELD OF PERSONAL INCOME TAX IN THE DISTRICT OF COLUMBIA AS PROPOSED IN THE MINORITY BILL OF THE HOUSE DISTRICT COMMITTEE

At the present time, the personal income tax in the District of Columbia yields about \$4,200,000 and the unincorporated business tax yields another \$800,000, giving a total for the two taxes of approximately \$5,000,000.

It is well known that the personal income tax is a poor revenue producer in the District of Columbia because the tax is not applicable to Federal Government employees who claim domicile elsewhere. Only 85,000 persons pay the District of Columbia tax. This number would be increased to at least 240,000, or almost tripled, if the tax were made applicable to all residents of the District regardless of their State of domicile. Clearly, the revenue potentialities of the personal income tax can be increased greatly if its coverage were extended to cover all residents.

The House minority bill would increase the personal income tax in two ways: first the tax would include all persons who maintain a place of abode in the District of Columbia for more than 7 months of the year; ¹ second, the rates which start at 1 percent on the first \$5,000 of taxable income and end at 3 percent on taxable incomes in excess of \$20,000 would be raised, beginning with 2 percent on the first \$2,000 of taxable income and ending at 5 percent on taxable income in excess of \$10,000. The bill also repeals the unincorporated business tax because that tax is levied at a flat rate of 5 percent on business income in excess of \$10,000, or the same rates provided under the bill.

The reliability of estimates of the yield of a proposed income tax depend upon the nature of the data available on the distribution of income. For the District of Columbia, we are fortunate that the United States Census Bureau recently completed a survey on 1947 incomes for the Washington Metropolitan area. The results of this survey have been published in sufficient detail to provide a good basis for estimating the yield of the tax proposed in the proposed alternate bill.

The method used to make this estimate is, briefly, as follows:

1. The total number of families and single persons residing in the District was first estimated on the basis of the estimated popula-

¹Except Congressmen, members of their staff who are domiciled elsewhere, and officials appointed by the President and confirmed by the Senate. The number is very small and the effect of this exclusion is not taken into account in the estimates given below.

tion and the average size of family given in the Census survey.

2. Distributions of income in 1947 were made for families of different sizes and single persons separately, on the basis of the Census survey. The incomes of the families and single persons in these distributions were then raised somewhat to take account of the increase in incomes since 1947.

3. From the distributions obtained in step (2), exemptions of families and single persons in each income class were estimated. These exemptions plus an average allowance of 10 percent for personal deductions under the income tax were subtracted from the income figures to obtain taxable incomes.

4. These taxable incomes were then arranged by classes and tax rates were applied to the amounts of taxable incomes in each tax bracket to obtain the total estimated tax.

Given the present rates (from 1 to 3 percent), the above procedure yielded an estimated \$10,000,000 as the tax which would be obtained if the base were broadened to include all residents in the District.² This is about \$5,000,000 more than is now collected from the personal tax and the unincorporated business tax combined. It may be noted that this is the same estimate given by Congressman BATES, of Massachusetts, in debate on the floor of the House of Representatives.³

Using the same procedure, the higher rates under the House minority bill would yield an estimated \$20,000,000 in total or \$15,000,000 more than the present personal income tax and unincorporated income tax. The \$20,000,000 figure was, of course, obtained by applying the tax rates to the amount of taxable income in each bracket as described in step (4) above. This estimate is obviously reasonable, since the yield of the present rates would be about \$10,000,000 if the base were broadened to include all residents. This bill doubles the starting rate, increases the top rate by two-thirds, and has greater progression in the lower taxable brackets. Consequently, the bill raises just about double the amount that the present rates would yield on the broadened base.

Mr. MORSE. Of course, Mr. President, speaking briefly regarding those suggestions in the alternative, they propose to increase the income-tax rates, rather than to increase the exemptions in respect to income taxes. Although all the features of the pending proposal are undesirable, I think one of the most undesirable features of it is the provision

² A credit is provided under the law for all persons who pay tax to other States. However, an examination of the tax laws of other States indicates that the amount of the credit will undoubtedly be small, for the following reasons: California and Idaho do not tax their domiciliaries if they do not spend there. New York State exempts them providing they do not spend more than 30 days a year in the State. Seventeen States do not levy a personal income tax at all (these include many large States like Pennsylvania, Illinois, and Indiana), and New Hampshire and Tennessee tax only incomes from intangibles. In toto, double taxation of salary earnings in the District of Columbia is not possible for domiciliaries of at least 22 States, so that the credit would lose no revenue from this segment of the District population. For the remainder, it is doubtful whether many who are subject to income tax in their State of domicile actually pay tax there because enforcement by State authorities is difficult and expensive. Thus the loss in revenue due to the credit is bound to be very small, especially if proof is required by the District before a credit is granted.

³ See CONGRESSIONAL RECORD, March 14, 1949, p. 2425.

for raising the income-tax exemption, trying to create the impression that by raising the exemption, the little fellow will be helped. We should realize that the exemption is also taken off at the top of every high income earned in the District of Columbia.

Of course, the second alternative is to increase the direct Federal Government appropriation, to the District of Columbia. I think it should be increased. When we consider the total amount of tax-exempt property owned by the Federal Government in the District of Columbia, I think that we, as representatives of the Federal Government, must come to the conclusion that we are not carrying our full load; and I think the suggestions in respect to adding to the direct appropriation made by the Federal Government for District expenses—I refer to the suggestions made by the minority in the Senate and by the minority in the House—are very sound.

I wish to take several minutes to speak, from direct personal experience, of the need for increasing the direct appropriation the Federal Government makes to the District of Columbia. For the past 2 years I have been the president of a home and school association at one of the junior high schools in the District of Columbia. Before I had that experience, I simply had no idea how derelict the Congress has been in regard to its educational policies, particularly from the standpoint of having the Federal Government pay adequately for the maintenance of the standards of education which should be maintained for the boys and girls who live in the District of Columbia. We should be ashamed of ourselves as a Congress for the inadequate support we have given to education in the District. Mr. President, we could possibly pursue such a policy as members of city councils in our home towns or as members of the State legislatures in our home States; but the people would have a very effective check on us as members of such bodies, and certainly we would listen to them. Show me the politician who would not.

But we do not listen to the people of the District of Columbia. Mr. President, do you know that if a new high school or a new grade school is built in the District of Columbia, we, the Congress, do not even provide the funds for landscaping the grounds of the school or for constructing adequate sidewalks leading to the building? Do you know, Mr. President, that if, at the Alice Deal Junior High School, the plaster began to fall off the ceilings of the corridors of the school, the Home and School Association would be asked to raise the funds needed for the replacement of the plaster, because the Congress does not supply any money in the budget for that purpose? If the equipment in the school cafeteria wears out, does the Federal Government supply the funds for its replacement? No; the mothers and fathers, through the home-school associations and the parent-teachers associations of the District, hold bazaars, entertainments, fairs, and what not to raise the money. If we want visual education in the schools, does the Congress

supply it? No; the mothers and fathers have to raise extra money for it.

To say that such a condition is a disgrace is to put it mildly, but that is about the strongest language that may be used on the floor of the Senate. The inadequacy of school support for the District of Columbia by the Congress of the United States is a disgrace. We should make direct appropriations to give the youngsters decent facilities, to give the teachers decent pay, to give the schools adequate support. The people of the United States owe it to the District of Columbia, too. I agree with the minority views of the Senate committee, and I agree with the minority views of the House committee, that the Congress of the United States has not lived up to its obligation to give direct appropriations in the amounts that it ought to give for a great many of the services which it now is not adequately supporting.

I said the first proposal of the minority is for an increase in income tax rates; the second, for an increase in the direct appropriation; and the third, for an increase in the property rate. The assessments are too low and the rates on the assessments are too low. I know of a Member of this body who about 2 years ago bought a home in the District of Columbia. He was talking to me the other day about the taxes he pays on his home. I shall put it in his language. He said, "WAYNE, I have a feeling of guilt when I pay those taxes, because my conscience tells me they are entirely too low." Is it better to tax the fathers and mothers, through a sales tax, when they have to buy shoes for their youngsters, than to tax that United States Senator and other property owners in the District by way of property taxes which they should pay and which their ability to pay decries they should pay?

I think, Mr. President, we are stained with much guilt in the Senate of the United States, and we should wash it off. We covered ourselves completely with guilt 2 years ago when we took care of our own pockets, and presented to the people of the United States the spectacle of Senators increasing their salary from \$10,000 to \$12,500, and then voting themselves an additional \$2,500 of unaccountable expenses, tax-exempt. I said then, and I repeat now, it was a shameful thing to do. If we want a \$15,000 salary, let us vote a \$15,000 salary and make every dollar of it taxable. If we are going to have an expense account, then let us make it one for which we must account. Let us tell the people of the country what we spend it for. If the Congress can adopt such tactics, if it can follow such a course of action as that, and then impose a sales tax upon thousands of people in the District of Columbia, who cannot do anything about it, because we will not even let them vote on the issue, the Congress deserves censure. We should make the people of the District voting citizens of America and let them run their city, deciding for themselves what their municipal policies shall be and what their tax structure shall be.

The burden of proof is on the proponents of the pending bill—and they have failed miserably to sustain that

burden—to show the need for a sales tax to meet what they allege is a revenue crisis in the District. They have run away from proposals to increase income tax rates, to increase property tax rates, and to increase direct appropriations to the District of Columbia.

Mr. President, I wish to close by reading a few paragraphs from a speech I made on another occasion, at another place, in opposition to a sales tax. In that speech I warned, as I warn again today, that we need to be on the alert for a movement for a Federal sales tax. In fact, we have gone a long way in that direction, through the imposition of excise taxes. A good many of the excise taxes can be justified in time of war, but it is impossible to justify in times of peace the type of economic discrimination which is represented by existing excise taxes. One of the inequities we ought to eliminate from the tax structure is the many excise taxes. They are having a detrimental effect upon the Nation's economy. Therefore, for some time I have been in favor of the complete abolition of certain excise taxes and a marked reduction in all the excise taxes that remain.

For some reason, Congress has in a manner developed what I call an excise tax complex. An excise tax is rather easy to impose, and, locking at each little group alone, it does not represent a great deal of political power. I think some of the Senators are overlooking the fact that the blanket has been spread out over so many that it is beginning to have political repercussions, and that may give us some hope of a change. I sometimes think the only hope of our passing good legislation is that our actions are subject to political repercussions.

But let me say, Mr. President, that we need to watch out for a Federal sales tax. One of the best checks against the development of a Federal sales tax is to eliminate some of the excise taxes, and, certainly, to fight the establishment of a precedent in the form of a sales tax in the District of Columbia. So, I wish to refer to a few paragraphs of a speech I made on another occasion—and I shall do so not merely by way of quotation this afternoon, but directly—because I shall supplement these statements as I go along.

I am opposed to a general Federal sales tax because I think it violates the basic principle which should be followed in imposing taxes, namely, the ability-to-pay criterion. A family's need for the necessities of life is certainly no test of ability to pay. Although it is a broad generalization, there nevertheless is a great deal of truth in the general opposition to a sales tax, namely, it is a tax which taxes the need of people for the necessities of life rather than being a tax which calls upon them to support their Government in accordance with their ability to pay. Thus, a man with a large family and a low income discovers that the pennies which are taken away from him, by way of a sales tax every time he or his wife goes to the grocery store, butcher shop, shoe store, and clothing store are all out of proportion, from the standpoint of his ability to pay,

to the sales tax that is collected from his more wealthy neighbors.

Furthermore, I would point out that a tax based upon the principle of ability to pay is consistent with the taxation theory that those citizens who have been able to accumulate from our economic system through their own initiative and hard labor or through inheritance have a great interest in and a great responsibility for maintaining that system, by way of supporting the Government expenditures through reasonable taxes. I think it is very easy to, and I believe many proponents of certain types of taxes push the argument I have just mentioned entirely too far. However, I think it must be admitted that the majority of people who fall into the class of citizens generally referred to as people of moderate and wealthy means are the beneficiaries not only of their own hard labor and business acumen but also are the beneficiaries of an economic system which has made available to them economic advantages which they did not create but which have had a great deal to do with the accumulation of their property and savings, in addition to their own personal endeavors.

For example, economic developments throughout the Nation, including the development of a war, produced a tremendous shortage of steel in recent years with the result that owners of steel resources and operators of steel mills became the beneficiaries of a national economic development which they, as individuals, did not produce but which they, as individuals, were able to capitalize on because of the economic position in which they found themselves. I recognize that there are many other factors that also must be considered when one is trying to determine what is a fair tax to be imposed upon any one group but, nevertheless, I think it must be admitted that it is only fair to impose the heavier burden of taxation upon those individuals in our society who are the beneficiaries of our economic system as tested by their accumulation of property and wealth. The sales tax does not meet that test.

Now I would be the first to insist that the tax on wealth and property must not be so burdensome as to destroy incentive or as to amount in fact to a form of confiscation but, at the same time, I think, when one looks solely at the criterion of the ability to pay, it must be admitted that the sales tax is not a fair tax because it does not gage ability to pay but rather rests on a need of an individual to make purchases for necessities.

Workers and farmers generally oppose the sales tax because they see in it a passing of the tax buck, so to speak, from those most able to pay taxes on accumulated wealth to those who have, relatively speaking, little accumulated wealth. I think they are right about that. However, as I have mentioned above, I am not one who holds to the view that taxes should be levied upon the principle of soak the rich, or on the principle of soak the real-property owners. I think in many sections of

the country real-property taxes are too high and income taxes are too low.

But in the District of Columbia, Mr. President, both real property and income taxes are too low.

As far as Federal taxes are concerned, you will find, if you will check into my record in the Senate, that I think there is a need for a good many changes in the Federal tax laws in order to get rid of certain gross inequities which have developed in those laws because those inequities have turned into a soak-the-rich principle.

When I say that as a matter of tax principle, ability to pay should be our prime criterion, I do not mean that unreasonable taxes should be imposed on various forms of wealth, such as real property, or inheritances, or any other source of wealth and income, for after all, the objective and incentive of our capitalistic system are that there should be an opportunity for any man of ambition and ability to accumulate wealth and to become rich.

In some quarters, one would think it were almost a crime to be a rich man. On the contrary, I think the economic objective of becoming rich should be encouraged as an incentive to young men and women, and boys and girls. But what I am saying is that there goes along with the advantages of being rich also a great social obligation to pay for the expenses of a system of government which makes it possible for such great economic opportunities to be available to people of ambition and incentive.

It will be very unfortunate for the economic welfare of our country if we ever impose a system of taxation which discourages men from trying to accumulate wealth. In a good many respects, our present tax laws are doing that very thing now. I am trying to secure the adoption of some amendments which will correct the most gross inequities of our Federal tax laws.

I refer, of course, Mr. President, to the amendments of the Committee for Economic Development which I discussed earlier in my remarks this afternoon.

Now, to go back to my discussion of the Federal sales-tax problem, I would point out that there is another theory of taxes to which the opponents of the sales tax call attention. They point out that the operation of our economic system inevitably results in certain numbers of our citizens becoming fairly well off financially, whereas a much larger number accumulate very little savings, but rather live pretty much on a day-to-day or month-to-month basis. So it is proposed to tax them. There are a great many reasons for the plight of these people. In some instances the fault lies directly with the individual in that he may be inclined to waste his money or to be a spendthrift. One who accumulates wealth usually gets the money of the spendthrift.

On the other hand, there are many people who are confronted with one adversity after another, such as illness, accidents, crop failures, and hard luck generally. There are many others who either lack the native ability or who from a combination of circumstances beyond

their control make it impossible for them to do more than just about make both ends meet from pay-check period to pay-check period. But the proponents of the sales tax would tax them.

The opponents of the sales tax point out that this large segment of our population, composed of families who do not accumulate any considerable amount of savings and many of which always remain either in the debt or just barely meet the expenses of a really low standard of living, are responsible, nevertheless, for a very large share of the production of our national wealth.

Mr. President, the proponents of the sales tax frequently overlook that fact. They, too, frequently overlook the fact that the millions of American citizens who are barely able to make both ends meet, and some of whom fall in debt time and time again, after all are a terrific economic resource working in favor of the accumulators of wealth. The accumulators of wealth would not be able to build up their assets if it were not for the fact that they are dependent upon this great reservoir of labor, much of which, as the records show, does not accumulate great savings, but which finds that the limited income it takes is spent by the end of every work period, and frequently the new pay check is already heavily mortgaged.

Thus, it is argued that the large number of people who do not have the economic ability of the smaller number in our population who own a larger share of our wealth, nevertheless, are the producers of a large share of that wealth. Inconsistent and paradoxical as that argument may sound, nevertheless, any analysis of it shows that there is a great deal of soundness to it, when viewed from the fact that if all the productive efforts of all the millions of people of the United States, who have no savings or whose total assets as individuals are less than \$1,000 per person, should all of a sudden completely stop their economic efforts, our entire economic system would collapse.

If you can imagine that happening, then I think you will agree with me that production of wealth in this country would practically come to a complete standstill. This is exactly what Lincoln had in mind when he pointed out that all wealth is dependent upon the mass of the people who produce it.

Mr. President, I sometimes become a little amused at the fellow who tells me that what he has accumulated is all the result of his own labor and his own initiative, and that he is a self-made man. I would not for a moment discourage initiative, ambition, and incentive. However, to many of those who boast that their accumulations of wealth are the sole product of their own hands and their own minds, I call attention to the fact that that is only partially true. They are the direct beneficiaries of the economic advantages of the community in which they live which gave them their opportunity. They are the direct beneficiaries of this reservoir of human beings whose daily work makes it possible for the economic life of the community to operate. Without that group there

would be no self-made men in America, from an economic standpoint.

In view of the fact that the people in that great reservoir, as the records show, do not have the ability to pay, I think there is something grossly unfair and unjust about imposing upon them a sales tax which taxes their necessities of life. It is a reflection on the capitalistic system—and I know of no one who has defended or will defend that system more vigorously than the junior Senator from Oregon to say that in order to make it work we have to tax the necessities of life of the great reservoir of our population that does not find it possible to accumulate sufficient economic wealth so that they can fall within the brackets of even the moderate income-tax payers.

I have more confidence in the capitalistic system than that. I have more confidence in the capitalistic system than does the Washington Board of Trade. I have more confidence in the capitalistic system than do the selfish merchants of Washington, D. C., who want to impose the sales tax on the purchases of the necessities of life in the District of Columbia, and who also recognize that on the small purchases they will collect a 5 percent tax and return 2 percent of it to the Federal Government, putting in their pockets 3 percent of the tax for collection purposes. That is nice business if one can get away with it, and apparently they are going to get by with it. They should be ashamed of themselves so to distort the tax system as to produce that inequitable, unfair, and unjust result.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. LONG. I understand that certain necessities are exempted in the bill. Is that correct?

Mr. MORSE. The sponsors have inserted what we call in big business sales leaders. Exemption of some necessities is one of the leaders in the bill. It is the "come-on" note. They have some "come-ons" in the bill, and that is one of them.

They also have another "come-on" in the bill, and that is the little kick-back for administrative costs which allegedly the merchant is going to have to pay, kicking back 3 percent of the tax on the small sales and giving the Federal Government 2 percent. That is a "come-on," too.

Is it any wonder that the businessmen of the District of Columbia are all for it? The wonder is that the Democrats, on the other side of the aisle, are for it. That is what I simply cannot get through my head.

Mr. JOHNSTON of South Carolina rose.

Mr. MORSE. I am not sure where the Senator from South Carolina stands in the party; but that is another matter. I see sitting on the other side the Senator from Rhode Island [Mr. McGRATH], the chairman of the Democratic National Committee. We know where he stands. He is a Democrat.

Mr. McGRATH. Some of us do not understand where the Senator from Oregon stands in his party.

Mr. MORSE. I can assure the Senator that there are many in my party who do not know where I stand, but I assure the Senator, too, that millions of voters in America know where the junior Senator from Oregon stands. I want to assure the Democrats of something else. They are going to have an extremely hard time defeating me in 1952. And let me tell them, the fight I am making this afternoon against the Democratic sponsored sales tax will be great campaign ammunition in Oregon. Do not forget that.

Mr. President, I am almost through. I might as well conclude with what I have just said, but there is a closing paragraph I should like to have in the RECORD.

The point I am trying to make clear is that when I say, as a matter of tax principle, ability to pay should be our prime criterion, I do not mean that unreasonable taxes should be imposed on various forms of wealth, such as real property or inheritances or any other source of wealth and income.

As to the general sales tax, the sound argument of the opponents is that it takes too great a burden of taxation off the backs of those best able to pay taxes and places that burden on the large mass of our people who already are most responsible for the production of the wealth owned by those most able to pay taxes. It is this attempt to shift the burden of taxes from the wealthy to the poor through the medium of the sales tax, that has led to the almost universal defeat of sales-tax proposals, whenever the people themselves have had the chance to cast a direct vote on the issue. There have been some exceptions to this, but not many.

I close, Mr. President, by reiterating my original challenge. If the Democratic Party really believes in home rule for the District of Columbia, I suggest to the Chairman of the National Committee of the Democratic Party, the distinguished Senator from Rhode Island [Mr. McGRATH], that he offer to the Senate a proposal to submit the sales tax bill to the residents of the District of Columbia for a referendum vote, and abide by the results.

Mr. CAIN. Mr. President, the junior Senator from Washington rises to reflect rather briefly on the fiscal problems which presently surround the District of Columbia. But before doing that I should like to make an observation on a subject which was first presented a few days ago in the Senate by the distinguished senior Senator from Nevada [Mr. McCARRAN].

For the past few days the junior Senator from Washington has listened with considerable interest and respect to the discussions by the senior Senator from Nevada and the senior Senator from Michigan concerning our relations with Spain. I have listened with respect because it has been my experience that these two gentlemen often speak with authority, with sincerity, and above all else with the interest of the United States paramount in their hearts. I was therefore interested to read in the press the

reaction to the statements of the Secretary of State. The Secretary is quoted as saying that the attitude of the United States toward full diplomatic recognition of Spain will not change until that nation undertakes a liberalization of its domestic policies and of the civil rights of Spanish people. I am pleased by the concern of the Secretary of State and the administration which he represents for the civil rights of any nation.

I am, however, forced to admit to a large degree of confusion. I do not remember the Secretary of State or the party and administration, on whose behalf he speaks, showing any such concern for the civil rights of the Russian people when they recognized the inhuman dictators of the Kremlin back in 1933; a dictatorship Mr. President which far surpasses in horror and terror anything that has ever happened under the present Government of Spain and perhaps even surpasses the brutality of the medieval Spanish Inquisition.

Mr. President, I do not remember the Secretary of State or the administration which he represents showing any concern for the civil liberties of the people of Yugoslavia when they hastily recognized the dictatorship of Tito. I do not remember, Mr. President, any such concern by the Secretary of State or the administration and party which he represents when they recognized the dictatorships of Poland, of Rumania, of Hungary, of Bulgaria. I am forced, Mr. President, to the conclusion that the Secretary of State and the administration and party which he represents are concerned with civil liberties only when that concern coincides with the current Communist Party line, but not when it concerns the security and defense of the United States of America. If the Secretary of State sincerely believes the words which he has uttered let him show his good faith by taking the same action in the case of dictatorships which far surpass anything that this world has ever seen in Spain or elsewhere, and I mean by that the dictatorships established in recent years by the Communists.

Now Mr. President I wish to reflect on the fiscal situation which we find in the District of Columbia.

During the Eightieth Congress, which covered the years of 1947 and 1948, the junior Senator from Washington was highly privileged in having been the chairman of the Fiscal Subcommittee of the Senate Committee on the District of Columbia. Out of this sometimes frustrating but always worth-while experience came knowledge and positive convictions concerning the financial needs and requirements of the district of Columbia and a firm determination to be of service to our magnificent Capital City whenever that was possible. Perhaps I can be of some small service to the District of Columbia at this time as I speak in support of the pending revenue bill which has been so ably presented by the junior Senator from Wyoming [Mr. HUNT], and by the chairman of the Committee on the District of Columbia, the Senator from Rhode Island [Mr. McGRATH].

I think it will be helpful if I reflect briefly on how a sales tax need was established, when it was first advanced, the character and ability of those within the District who have supported the sales tax proposal, where the District would find itself today if a companion measure had been approved by the Senate a year ago, where the District finds itself because that measure was not approved, and what will the financial status of the District be a year or more from now if the pending measure is either laid aside or defeated.

It continues to surprise and concern me that some Senators are in opposition to a sales tax for the District of Columbia. Unless I am mistaken no Senator has ever appeared as a witness before the Fiscal Subcommittee of the Senate District Committee to express his opposition to a sales tax. It is only after the committee has approved and reported a sales-tax measure that some Senators seek to defeat it. There is no doubt in my mind concerning the sincerity of the opponents for I take for granted that they are expressing what they consider to be the sentiment of their home constituencies.

I think we had a remarkable illustration of that fact just a few minutes ago. The distinguished Senator from Oregon [Mr. MORSE] in opposing the pending measure, and in an answer to an inquiry or observation made to him by the able Senator from Rhode Island [Mr. McGRATH] said, as I remember, that the speech the Senator from Oregon was giving this afternoon in opposition to the pending measure would make first-class political ammunition to be used in a coming campaign—where? Not in the District of Columbia where the sales tax we talk about is to be established, if approved, but 3,000 miles away from here, in a sovereign and magnificent commonwealth known as Oregon.

It seems to me to be a fact, however, that the opponents of a sales tax are not expressing the feelings of a majority of those who are residents of the District of Columbia. It is likewise true that few of the opponents are members of the Committee on the District of Columbia. I even consider it to be a probable fact that few among the opponents have ever looked at a District budget or considered and studied the staggering and difficult financial problems which confront the District. For the most part the opponents to a sales tax are simply opposed to a sales tax in principle and probably they feel, as I think the distinguished Senator from Oregon strongly inferred, that if a sales tax can be defeated in the District of Columbia that it will make less likely the adoption of a sales tax for the States from which they come. From my point of view this approach to the serious financial problems and burdens of the Nation's Capital City is extremely unfair to its local government and to the nearly 1,000,000 citizens who live within its confines. As these most distinguished opponents endeavor to defeat the pending measure I would suggest to the Senate that unless a more reasonable proposal can be immediately advanced

the Senate should approve the pending bill without delay if the wish of the Senate is to continue to extend and improve the required services which are given by this city's administration today to those who live within our jurisdiction.

If we take our minds off the primary consideration—and I think there is only one—which is the good of the District of Columbia, we can too easily create and be responsible for financial trouble of such proportions that no solution will present itself for many years to come.

I am inclined to agree with those Senators who believe that the Federal Government ought to increase its present annual payment to the District of Columbia. During the Eightieth Congress the annual payment was increased from \$8,000,000 to its present \$12,000,000. It could well be more, but how much more it ought to be I am not qualified to say. It happens to be my considered view that we ought first to require the District of Columbia to avail itself of every reasonable tax source before we seek the easier way out through turning to the Federal Treasury. A few words on the fiscal relationship between the District of Columbia and the Federal Government will suffice for the moment.

FISCAL RELATIONS WITH THE FEDERAL GOVERNMENT

To me and to many others there are compelling reasons why the Federal Government should not permit the residents of this city to assume all the extra financial burdens which have been brought about mostly by the legislation of the Congress during recent years. We in this Congress pass the legislation. They of the District pay for it. We do not often enough stop to provide means with which to satisfy the obligations. We sometimes impose on the District heavy burdens without consulting with the Commissioners of the District. It should be remembered, however, that the Federal Government's obligation is not and should not be based on the District's ability to function without assistance. This obligation should not be considered as a contribution, but it should be acknowledged and recognized and considered to be what it is, a payment which is due to the District of Columbia.

Washington, D. C., is national in character, and the Nation should share in its maintenance and upkeep, certainly to the extent of those measures enacted here and those improvements made under the direction of this Congress that a city of the same size in the States would not ordinarily be expected even to consider.

Just what the payment should be and the type of formula to be adopted has been a matter of controversy for a long period of time, and, in all probability, it will be essential to have further studies and investigations made, as has been suggested by the distinguished Senator from South Carolina [Mr. JOHNSTON], before we can arrive at the fair share of Federal participation.

My primary point, however, is this: I do not believe that the District of Columbia, or the people resident in this District, or the millions who enjoy its

facilities as the Nation's Capital, should be penalized because of the inability of Congress to reach such an equitable agreement.

Under the Constitution we act as the municipal council and the State legislature for the District. We are not considering a helpless indigent city, but we are legislating for one with power and influence, wealth, and ability, combining all the aspects of a State, county, and municipal government. There is no city on the face of the earth to compare with the potential and actual might and influence of Washington, D. C. This city, State, and county government—for it is all of those things—is a creature of the Congress and it partakes of the characteristics of a city, county, and State, and renders services on this basis to the people living here. From 660,000 individuals, according to the official census in 1940, the population leaped to an estimated 938,000 on VJ-day.

During the war years many services were necessarily curtailed, and the cost of government was somewhat reduced. But, with the resumption of insistent public demand for full scale municipal service following the cessation of hostilities, it early became clear to the Commissioners that a review of the tax structure of the District of Columbia should be and it was undertaken. In May 1945 the Commissioners appointed a committee of District officials to make such a review and to submit recommendations for such changes as might be required to enable the District of Columbia to meet the increased costs occasioned both by the mounting population and the higher costs for personnel and materials. Who constituted this committee? I have not heard its membership named on this floor, though I have heard it said by some of the opponents of the pending measure that no consideration has actually been given to furthering a careful study of the financial needs of the District. The committee was first made up of the Corporation Counsel as chairman, the Assistant Engineer Commissioner, the Assessor, the Budget Officer, the Assistant Superintendent of Schools, the Auditor, and the Director of Highways.

After this official-family committee had made preliminary studies of the subject, and before any final conclusions were arrived at, the Commissioners felt that it was desirable to secure a cross section of public opinion, and accordingly appointed a number of representative citizens also to serve on the committee. These were B. M. McKelway, president of the Board of Trade; Claude W. Turner, vice president of the Merchants and Manufacturers Association; Bruce Baird, president of the Bankers Association; Wilbur S. Finch, president of the Federation of Citizens Association; Woolsey H. Hall, president of the Federation of Civic Associations; Fred S. Walker, publisher of the Trades Unionist; Edward Carr, president of the Home Builders Association; J. M. Heiser, president of the Federation of Businessmen's Associations; James C. Wilkes, Bar Association; and Robert V. Fleming, president of the Riggs National Bank. The full committee—and it was full in the

sense of ability and in the sense that it represents, so far as I have been able to determine, most of the interests in this community—gave careful consideration to the sources from which additional revenue might be obtained, studied almost every conceivable method of taxation, and selected those which it believed would produce the greatest amount of revenue, distributed in the most equitable manner.

After that committee made its report, but before any action was taken thereon, the Commissioners for the District of Columbia took the next step, as they should have done, and held a public hearing to which was invited all interested individual citizens, as well as representatives of citizen, civic, and trade organizations, all of whom were given a full opportunity to express their opinions on the tax program. I do not know who were in attendance at that public hearing; but I venture the guess—and I should like to be informed otherwise if I am incorrect in that respect—that obviously no Senator attended that meeting to advise the citizens against the adoption of a sales tax. At a public meeting to which all interested persons were cordially invited, probably there were none of those who now, for reasons sufficient unto themselves, say we must disregard the recommendations of the committee which would lead to the adoption of a sales tax, but that we must find revenue, in the amount of many millions of dollars, from sources as yet not only undisclosed but certainly unagreed upon.

At the conclusion of those hearings the Commissioners of the District of Columbia approved the tax program proposed and forwarded it to the Congress.

The sales tax we are debating this afternoon was included in that program in 1945 and is the principal part of it. That committee, which was appointed by the Commissioners in 1945, was composed of representative citizens and taxpayers of the District of Columbia, as well as of a number of District of Columbia officials; and the committee recommended that additional revenue be sought in seven different directions. Because the problem of what to do with the finances of the District of Columbia will continue to be before us in future years, I think I might state for the RECORD what those avenues of tax availability were considered to be by the committee to which I have referred. They were as follows:

First. Broadening the District income tax.

Second. Levying a 2-percent sales tax on all tangible personal property sold at retail, with food for human consumption in the home, medicines, and sales under 25 cents exempt.

Third. Levying a tax on unincorporated business at the same rate—5 percent of net income—as that imposed on corporations.

Fourth. Increasing tax on spirits, beer, and wine.

Fifth. Levying a 2-percent tax on utility bills.

Sixth. Levying a 1-cent tax on each package of cigarettes.

Seventh. Levying a 10-percent tax on the purchase price of each ticket to a place of amusement.

In February 1947 the Commissioners transmitted to the Speaker of the House a bill entitled "To Provide Revenue for the District of Columbia, and for Other Purposes."

In March and April of 1947 a Joint Subcommittee on Fiscal Affairs of the Committees on the District of Columbia of both the House and Senate conducted thorough and extensive hearings on the question of raising revenue for the District of Columbia. I think the record indicates that in February 1947 124 witnesses were heard before that Fiscal Affairs Joint Subcommittee. So far as the Senate side of those hearings was concerned, I do not recall that a single Senator or a single Representative appeared at any time during that month to express his opposition to a sales tax.

In 1948 quite a few District sales-tax bills were introduced. One bill—H. R. 6759, Eightieth Congress, second session—passed the House June 8, 1948. In the Senate the bill was designated as "S. 843, Eightieth Congress, second session," and it was reported favorably by the Senate committee on June 3, 1948. That bill, with all its hopes, including the hopes for the raising of revenue with which we could not only have balanced the budget of the District of Columbia but also could have increased wages and salaries, where increases were required, and could have extended services where needed, was defeated, as most Senators will recall, in the dying hours of the Eightieth Congress, in the month of July 1948.

Mr. President, not only some Senators who for a long time have been interested in this problem, but also most of the citizens of the District of Columbia, as well, might be interested to know where their and our District of Columbia would be today if the sales-tax bill had been passed by the Senate in July 1948 and had become law. It was estimated that the sales-tax bill which the House of Representatives in the Eightieth Congress passed, would yield for the District of Columbia \$6,000,000 in 1949, and \$13,500,000 in 1950. Under that bill, the collections would have been made quarterly, rather than monthly, as provided in the pending measure.

I was one of those who, in terms of figures, were convinced that if the sales-tax bill had been passed in July 1948, it would have produced, at a conservative estimate, \$6,000,000 in the year 1949. It is obvious and clear to all of us that from a sales tax which was defeated in 1948 we are not going to derive a penny's worth of benefit in 1949. The least we can say is that in recent months we had an opportunity to raise \$6,000,000, but we passed it by, and therefore we are subject to all the resulting headaches which necessarily come from that loss of revenue, which this city from within its own citizenry could reasonably have provided for a more proper conduct of its municipal business.

The expenditures in the general fund are estimated at \$86,210,000 for the fiscal year 1949. The revenue availability, including the liquidation of over \$6,000,000 in securities for public works, amounts to \$86,527,000. There was a liquidation of those \$6,000,000 worth of securities,

or before this year is over the liquidation will become complete in order to meet prevailing obligations. I myself do not like to think about that liquidation, because those securities had been set aside for a rainy day, and for constructing and making possible some capital improvements. But the liquidation of those securities had to be made in order to meet the fiscal needs for current operations.

There is not a single city in the United States, to my knowledge, which could long survive with the type of management which has been given to this great municipality. If the sales tax had been enacted in the Eightieth Congress, there would have been an additional \$6,000,000 available in 1949, or a total of \$92,527,000.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. CAIN. I am glad to yield for a question.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator whether he knows of any city the size of Washington that does not have a bonded indebtedness?

Mr. CAIN. I cannot say that I do.

Mr. JOHNSTON of South Carolina. What is the Senator's view in regard to the District being able to float bonds for permanent improvements?

Mr. CAIN. In my opinion we should first straighten out the prevailing tax structure, or the lack of one, within the District of Columbia, before we concern ourselves too much with the floating of bonds as an easy way out.

Mr. JOHNSTON of South Carolina. Is it not true that every year there would be available several million dollars which could be devoted to permanent improvements within the District?

Mr. CAIN. I think that is correct.

Mr. JOHNSTON of South Carolina. How do other cities finance permanent improvements?

Mr. CAIN. They do it in a number of different ways.

Mr. JOHNSTON of South Carolina. It is done mostly through bond issues, is it not?

Mr. CAIN. A good part of it is; yes.

It is estimated that salary increases for District employees would have cost approximately \$5,000,000 and increased the obligations to \$91,210,000, leaving a surplus of \$1,317,000 at the end of 1949.

In the fiscal year 1950, the estimated obligations in the general fund amount to \$88,376,000. If the pay raises had been effective, these obligations would have been increased by approximately \$5,700,000, or a total of \$94,076,000. The estimated revenues from present sources for 1950 amount to \$80,950,000. If the sales tax had been enacted, this would have been increased by \$13,500,000 with a balance of \$1,317,000 brought forward from 1949, which would have resulted in an availability of \$95,767,000, leaving a surplus of \$1,691,000 at the end of 1950. But, a sales tax was defeated during the latter part of July 1948. I think a good many of us are interested in the question, Where is the District of Columbia today, by reason of the failure to enact the sales tax?

Although the general fund budget of the District of Columbia is balanced for

the fiscal year 1949, the failure to grant pay increases similar to those given to Federal employees has caused the resignation of numbers of employees and increasing difficulties in recruitment of certain personnel.

Because of the failure to enact the sales-tax legislation last July, many hundreds of individuals receiving relief from the District of Columbia have been forced to subsist on 1946 relief levels. I think we should bear in mind that last year, when there was an obvious need for additional revenue for the District, the Senate thought it proper to defeat a proposed sales-tax measure, but it replaced it with nothing else.

Because of the failure to pass the sales-tax measure last July not a single additional school building or room is included in this year's budget, even in the face of testimony by an expert hired by this Congress to make a school survey showing that hundreds of our children are not receiving proper education.

Because of its failure of passage, the District authorities were unable to consider any additional capital improvements, although they are fully cognizant of the intolerable situation existing in some of our welfare institutions.

Because of its failure they could not and did not to any appreciable extent increase police protection, although crime is rampant and mounting in the District of Columbia.

These are but a few of the evil and sad consequences which have come about as a result of the failure of the Congress to provide the District with authority either to increase its revenue or to appropriate funds to take the place of revenue, which can, and from my point of view should, be derived from the establishment of a sales tax for the District of Columbia.

I have but one other question to raise and to answer, for the information of the Senate. Senators must be concerned with the question, "What will be the condition of the District of Columbia in the fiscal year 1950, in the event the bill H. R. 3704 is not enacted?"

The requests of the Commissioners for the fiscal year 1950 as presented to the Senate Appropriations Committee show a deficit of approximately \$7,500,000. This budget was considered an inadequate submission. It made no provision for many acute needs of the District of Columbia. If H. R. 3704 is not enacted this budget must of a necessity be further reduced, which would be extremely detrimental to the people of the District, including those of us who are in this body. Furthermore, and I think it will become increasingly more important, pay increases must necessarily be delayed in the future as they have been in recent months, if this legislation is not passed at this session of the Congress.

Eighteen thousand employees, including school teachers, policemen, and firemen, including every public servant, regardless of his task, within the jurisdiction of the District of Columbia, will, if the pending measure fails, be denied the salary increases which Congress enacted in July 1948, which were intended, as was plainly said, to cover the personnel of

the District of Columbia as well as Federal employees working in the District of Columbia.

Because of the failure of the Senate to enact legislation proposed by the Senate District Committee last year, many of the 18,000 employees have become disheartened, discouraged, and understandably bitter at their failure to receive the pay increases which went so rapidly and so fully to those employed on either side of the District of Columbia workers.

I think the Senate, Mr. President, has quite a great deal to think about with reference to its obligations to the District of Columbia. Speaking only for myself, I think the Senators who are managing the pending bill have proved, (1) that the legislation is reasonable; (2) that it is needed; and (3) that it will be a very great pity and a loss to everyone if the pending bill is defeated, or if, on the assumption that it may be defeated, comparable revenue-raising legislation is not approved by the Congress and signed by the President of the United States.

Mr. President, in closing, I want to invite the attention of the Senate to a series of short articles on the fiscal situation in which the District of Columbia finds itself involved. These articles, six in number, and bearing the titles "A Fairer Deal Here at Home," "Spending Your Tax Dollar," "Borrowing Could Help," "Our Shrinking Taxable Real Estate," "Real Estate—the Tax Goat," and "A Sales Tax Is Necessary," were written by a Mr. John W. Thompson, Jr., who is a writer for the Washington Evening Star. I think that any objectively thinking and disinterested Senator who finds it convenient and possible to read these articles will have a more thorough understanding of the problems which involve our city of Washington, D. C., and will secure from that knowledge a determination which is comparable to mine and that of other Senators to make as certain as we can the finding of a solution for the needs of this great city before many days shall have gone by.

The PRESIDING OFFICER. Does the Senator ask that these articles be inserted in the RECORD?

Mr. CAIN. Mr. President, I ask unanimous consent that they be incorporated in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star of January 24, 1949]

A FAIRER DEAL HERE AT HOME

Beginning today the Star will print on this page a series of five articles by John W. Thompson, Jr., bearing on Washington's tangled budget problem.

The articles touch merely some of the highlights and are designed primarily to explain some interesting charts prepared by the District Budget Officer, Walter L. Fowler.

Readers may find them interesting as background for the discussions at the Capitol this winter over ways and means to make both ends meet in running this expensive city. The problem is no simple one. Congress must find the best and fairest means of raising some \$15,000,000 to meet obligations, over and above existing revenue, arising in this fiscal year and the one beginning next July.

Some of the revenue should come from increasing the Federal payment. Most of it is apt to come from new and higher taxes. It is in local taxation, especially, that Washingtonians have a right to expect a fairer deal than they have received from Congress in the past decade. Functioning in respect to the District of Columbia as a local legislature, Congress should approach its task as any other local legislature would, from the point of view of the people to be taxed.

The past decade has shown a dangerous trend in local taxation. It has resulted in placing too large a part of the burden on too few of the people. The local income tax is a singular example of discriminatory taxation. By its wholesale exemptions, particularly of Federal employees claiming legal residence elsewhere, it has left only some 95,000 persons, in a population exceeding 850,000, affected by the local income tax. The tax does not produce the money it should. It is probably the most difficult of all taxes to administer. It is indefensible in that it requires one man to pay the tax and exempts his neighbor, though both enjoy equally the services of the community. It should either be repealed or it should be amended to include everybody.

The real-estate tax has become another discriminatory tax, insofar as its share of the total tax load is concerned. It is now carrying about 52.72 percent of the local tax burden. It is paid directly by about 120,000 persons and as a rule these are the persons liable to the local income tax. The real-estate tax itself is a high tax when the standard of assessment—compared with assessments elsewhere—is considered.

Less than half the land area in Washington (not counting streets) is now taxable. Yet this 48.7 percent of the area is assessed for taxation at a higher total figure than all of nearby Baltimore. Washington's fraction of taxable land and improvements is more highly assessed than any of the cities between 500,000 and 1,000,000 population in the country. Its per capita assessment, with half the area exempt, is second only to New York.

The taxable area is steadily decreasing. Below is a chart, prepared by Mr. Fowler, which shows the size of the slice that has been taken from taxable real estate principally by the Federal Government in the past 14 years. This "slice"—the white, unshaded area—represents the 2,942 acres, or 16.35 percent withdrawn from taxation since July 1, 1934:

As Washington is the seat of the Federal Government, it is natural to expect continued Government expansion within the District. This type of tax exemption will be increased by purchases of property by tax-exempt institutions and by foreign countries as sites for embassies and legations. No one can reasonably complain about that trend. The needs of the Government in its Capital City are paramount. The point is that this condition must be recognized by Congress and faced realistically. Congress cannot in justice, or as a practical matter, expect the diminishing taxable area to carry as great a proportion of the tax load as in the past, without highly injurious results. And it must increase the payment it makes in lieu of the taxes lost.

Taxes in the downtown business area of Washington amounted to about 8.5 percent of annual rentals before the war. According to the District Assessor, the increases in assessments and rates have brought them to about 15 and even 20 percent now. Comprising only 1.7 percent of the total taxable area, the downtown business section pays about 21 percent of the total real-estate tax. Further real-estate-tax increases may hasten the trend toward decentralization, with the blighting effect on productive property that has become a major problem in many other cities. It is easy to kill the goose that lays the golden egg.

Apartment houses have received substantial increases in assessments and taxes in the past few years. Many are passed on to tenants. In the past fiscal year 19,351 applications for higher rentals, based on tax increases, were sent to the Rent Administrator. About 90 percent were granted, the great majority being in smaller apartments and private dwellings. Higher maintenance costs under rent control have brought complaints from tenants, based on lessened services and neglected repairs. Such factors have been mentioned as contributing to sales of apartments as co-op. Some owners want to get out from under.

Private home owners have had to pay an average increase of 29 percent in taxes in the past 2 years. A majority of new homes constructed in Washington during the past 3 years, according to the Assessor, have been small homes, sold to people in the low-income brackets. The last increase in the real-estate tax brought an unprecedented volume of complaints, especially from these owners.

The following table shows very clearly what has taken place in the past 8 years in development beyond the District of Columbia's fixed boundaries. New residential units in the District of Columbia, in number and in dollar volume, have steadily declined. The real increase is taking place in Montgomery, Prince Georges, Arlington, and Alexandria. (Fairfax figures are not complete and have not been included):

Review of residential building activities, District of Columbia and adjacent counties

	District of Columbia		Adjacent counties	
	Units	Valuation	Units	Valuation
1940.....	8, 072	\$28, 838, 505	6, 860	\$29, 988, 166
1941.....	9, 720	31, 668, 705	10, 511	42, 580, 200
1942.....	9, 032	23, 640, 490	10, 665	37, 364, 144
1943.....	2, 662	13, 109, 350	6, 557	22, 593, 841
1944.....	2, 111	6, 295, 361	1, 688	6, 161, 755
1945.....	2, 912	9, 627, 250	2, 299	12, 592, 530
1946.....	3, 017	13, 814, 157	7, 205	46, 174, 578
1947.....	4, 287	23, 983, 722	14, 430	106, 616, 883
1948.....	3, 797	22, 518, 736	14, 862	110, 815, 442

The District's tax sources have always been limited. It is a residential, not a commercial, city. Its boundaries cannot be extended to take in new, tax-paying suburbs. Its taxable area is shrinking and a discriminatory income tax exempts a large proportion of its residents.

Yet it must meet the needs of a greatly increased population and its government has become enormously expensive. That is one reason why a sales tax has become unavoidable. The amount of taxes paid for support of the District must be increased by enlarging the number of taxpayers and decreasing the proportion of the total burden that is borne by a relatively small number of taxpayers and a diminishing area of taxable property.

[From the Washington Star, January 24, 1949]

SPENDING YOUR TAX DOLLAR—PRESENT COST OF RUNNING OUR CITY IS EXCEEDING THE AMOUNT OF AVAILABLE REVENUE

(By John W. Thompson, Jr.)

Financially, the District's slip is showing again.

For the second straight year President Truman has sent to the Capitol a city budget well beyond the city's ability to pay.

He has cut an expenditure garment for the District and provided at least \$8,000,000, according to the official prediction, too little to cover it.

Should District employees be granted a cost-of-living pay increase for the year beginning next July 1 similar to that granted Federal employees this year, the gap be-

tween expected income and expenditures would widen by \$5,000,000. Made retroactive to last July 1, such a pay boost would add still another \$5,000,000.

Thus even allowing the usual leeway for District forecasters, traditionally conservative when it comes to predicting revenues 18 months in advance, the deficit is apt to lie between six and eight millions, plus whatever happens on the pay increase.

Briefly the problem may be summed up in this way:

The city pays for its operations out of three funds—the water, highway, and general funds. Under the new 1950 budget proposals the water fund will be able to pay its way by dint of the increased water rates put in this year, the allocation of \$1,000,000 to water purposes from the annual Federal payment to the city, and the sale of some invested securities saved up. The highway fund may even show a surplus of some \$200,000 which, however, may not under the law be diverted for other purposes. The shortage is in the general fund and this is the fund against which most public services here are chargeable.

This time last year all three funds faced deficits. Tax legislation last summer increasing the gasoline tax a penny and boosting water rates prevented deficits in the highway and water funds.

This general fund shortage is the crux of the local fiscal dilemma for the fiscal year 1950.

There are just three ways to meet this situation:

1. Through major cuts in expenses chargeable to the general fund.
2. Through long-term borrowing from the Federal Government.
3. Through new legislation to increase revenues.

This third solution is suggested by the President in the new budget. Each will be considered separately in this series.

Before deciding to make up the deficit by cutting expenses chargeable to the general fund, look at the chart above and see how the general fund tax dollar is being spent. Note that major cuts here would result in major curtailments in the schools program, public safety (police and fire), health services, welfare services, recreation services.

Bear in mind that the Community Chest drive for private funds to supplement many of these public services fell short and that hence private effort must be curtailed.

Then ask yourself if these municipal services are adequate in your section of the city.

Note that less than 3 cents of the tax dollar goes for administration and remember that the budget requests submitted by President Truman to Congress have in most cases already been trimmed or slashed by the Commissioners from the original requests of their department heads.

Certainly there will be cuts made at the Capitol. There always are. But there will be additions too. The final figure is not apt to be much under the \$103,000,000 in the President's requests unless taxpayers are willing or compelled to go without city services they are receiving or have demanded.

[From the Washington Star of January 25, 1949]

BORROWING COULD HELP—PLENTY OF PRECEDENT, ALSO WARNINGS, FOR FINANCING COST OF WASHINGTON IMPROVEMENTS THAT WAY

(By John W. Thompson, Jr.)

There is plenty of precedent in recent years for mild borrowing by the District to relieve financial pressure.

There is also in the city's past history eloquent warning against overborrowing.

It is against this background that the taxpayer today should decide how far the District should go, if at all, in seeking a long-term low interest or interest-free Treasury

loan to offset the threatening general fund deficit for the year beginning July 1.

Officials say this deficit will be at least \$8,-000,000 and may be much more, depending upon whether Congress grants to District employees the cost-of-living pay raise it gave last year to Federal workers.

Obviously mild borrowing for new construction could release for other purposes the money now allocated to those projects.

Historically, the city was in debt almost constantly from its founding in 1800 to 1878, when the present commission form of government was created. Twice in that period it was ruined by borrowing. Both times the Federal Government bailed it out. Yet both instances were the result of the failure of the Federal Government to share with local residents the burden of developing a National Capital. It left them to wallow in the mud of Washington's unpaid streets.

During these experiences the Federal Government apparently learned that it was bad business to allow the District to borrow from private lenders. At any rate all loans to the city since then have been Federal loans.

From 1878 to 1921 there was no need for the District to borrow because the Federal Government under the law was paying half the cost of Capital development. From 1921 to 1925 the Federal share was reduced to 40 percent. Since 1925 an arbitrary lump sum has been appropriated annually which in recent years has represented only a fraction of the cost of Capital operation and improvement.

District borrowing in recent years probably dates from 1930 when the Capper-Cramton Act authorized appropriation of \$16,000,000 for park land and playground purchase to be repaid by the District without interest at the rate of about \$1,000,000 a year. To date \$11,499,000 has been appropriated in small sums. Of this the District has spent some \$10,235,000 and repaid \$9,137,000. Thus only \$1,100,000 remains to be repaid.

During the thirties and President Roosevelt's recovery program the city received public-works grants and loans along with the States. Total loans of about \$17,000,000 were accumulated at less than 2 percent interest.

After Pearl Harbor came the so-called black-out loans to finance civilian defense. These totaled eventually about \$2,000,000 and also bore interest at slightly above 1 percent.

Still another loan for selected public improvements was made available to the city in 1942 under the Lanham Act. This totaled about \$1,700,000 at less than 2 percent and all but \$185,000 has been repaid.

The wartime clamp-down on construction and the diversion of personnel and supplies to defense purposes left the Commissioners with a big cash surplus they could not spend and a vast backlog of unmet construction needs as the Capital population swelled from 600,000 to nearly 1,000,000.

Using the surplus the Commissioners paid off the PWA debt, the black-out and Capper-Cramton obligations. They salted the \$10,-000,000 remainder away in Federal securities against the day when they would have to catch up on city construction.

With relaxation of building controls, however, high prices intervened to cancel out the savings. The Commissioners, basing their estimates on higher-than-prewar prices, still found no one willing to bid on city projects. Projects once started had to have their cost limits raised. A cost-of-living pay boost was given city employees by Congress along with Federal employees. Thus did the surplus evaporate.

Two years ago the subject of long-term loans from the Federal Government to finance improvements in the water system was broached in Congress by the city heads. Other arrangements were made.

Today there is at the District Building perhaps more than a little sentiment that pay-as-you-go is dead. That if the city is ever to cut down the backlog of war-accumulated needs a little judicious borrowing from the Federal Government à la Capper-Cramton or à la PWA may be desirable. The Board of Education, and Superintendent of Schools Hobart Corning, have boldly stated their belief that loans offer a solution to the problems of the schools. The list may be expected to grow.

[From the Washington Star of January 26, 1949]

OUR SHRINKING TAXABLE REAL ESTATE—LESS THAN HALF CITY'S AREA IS TAXED NOW—INCREASED RATES WOULD BE DANGEROUS

(By John W. Thompson, Jr.)

A real danger in the District's impending money crisis is that Congress will take the easy way out and simply raise the real-estate-tax rate.

This has been the pattern established in the two most recent fiscal crises—the late thirties and last year.

In each instance Congress became the battleground between sales- and income-tax advocates, who ended by passing a grossly discriminatory income levy and kicking the real-estate rate a little higher.

Both Budget Officer Walter L. Fowler and Assessor Edward A. Dent are convinced that any further increase in property taxes would hasten the decentralization of high-value downtown business to the lower tax havens of the nearby counties.

Thus, far from adding to District income, a realty-rate boost might well lead to a collapse of the firm property tax base upon which the whole revenue structure is mounted.

The key to this situation is wrapped up in Washington's nonextensible boundaries and the progressive removal from taxation of land acquired by the Government.

Here is the picture:

The boundaries of the District are fixed in the Constitution. Therefore the city may not, as many others have done, extend its limits to include choice taxable suburbs.

At the same time the Federal Government has been acquiring more and more land for Federal purposes as it expands. This land, mostly in the high-value area, is thus withdrawn from local taxation and the value of the remaining acreage increased.

Today less than half of the land area here is taxable. The percentage is 48.7.

Of the nontaxable acreage 42.2 percent is Federal property, 3.4 is city government property, and 5.7 percent is private exempt land used for church, educational, benevolent, or diplomatic purposes.

Examination of the chart will show the steady trend of Federal acquisition during the past decade or so while the other exempt categories have increased only slightly.

The complaint of District officials is not that the Federal Government has taken this land. This is the National Capital, and where else should the Government establish? The complaint is that having taken this land for perfectly valid purposes and withdrawing it from local taxation, injury is heaped on injury by boosting taxes on the decreasing remainder to make up for what was taken.

This situation, plus the legal requirement that property here be assessed at full value, has resulted in the anomaly of the non-industrial taxable half of Washington being valued for tax purposes at more than almost the whole of teeming, industrial Baltimore.

Here 48.7 percent of the city is valued this year at \$1,594,242,065. All taxable Baltimore this year is valued at \$1,399,559,099.

Nor is the flight of business to the suburbs imaginary. Already major stores have acquired or have planned nearby

branches. A survey made by Mr. Dent of comparable properties in the District and nearby revealed that in most cases the real-estate tax paid here was higher than that in the adjacent counties of Maryland and Virginia.

In one instance a chain store here was found located on ground valued at \$150 a square foot. A store owned by the same chain was located in Maryland on land valued at \$5 a square foot. Although the real-estate tax of the District store was much higher, the gross business done by the Maryland branch was considerably more, Mr. Dent reported.

Downtown properties here, on less than 2 percent of the land area, make up more than 20 percent of the realty-tax income to the city. If and when they go, the District financial stability will go with them.

[From the Washington Star of January 27, 1949]

REAL ESTATE—THE TAX GOAT—DEPENDENCE ON IT AS A REVENUE PRODUCER IS GREATER THAN ANY FAIR DEAL WOULD PERMIT

(By John W. Thompson, Jr.)

There is and seemingly always has been at the Capitol a prevailing belief that the District real-estate tax is too low.

This has stemmed in part from the rate—now \$2 per \$100 of assessed value—which is less than the rate in cities of similar size.

In other cases perhaps Members of Congress have actually paid higher taxes on property owned elsewhere than on comparable property here.

The tax is computed by multiplying the rate by the assessed value of a piece of property. A piece of property here assessed at \$10,000 would be taxed at \$200 at the present rate. A comparable house in Podunk assessed at \$5,000 for tax purposes but with double the rate here—\$4 per \$100—would pay \$200 also.

Thus a comparison of tax rates alone proves absolutely nothing.

In the matter of assessments, the District is required by law to assess at full true value and no less. Many other communities value properties for tax purposes from 40 percent up. It is 40 percent in nearby Arlington.

This does not mean that the city assesses at the market value of property. Neither District financial institutions nor Assessor Edward A. Dent construe the postwar inflated property values as true values.

But, as Mr. Dent has pointed out, an assessment is only an opinion. Therefore even among cities where it is supposed to be at full value, assessment of comparable properties can and does vary.

In many places where the job of assessor is political the jobholder has an incentive to make that theoretical full value low enough to satisfy the voter. Mr. Dent's post here is not subject to election.

Thus the only fair basis for comparing real-estate tax burdens is not the rate, not the assessment or its relation to true value, but rather the actual tax paid on comparable properties.

But even this sort of comparison does not clearly reveal whether a real-estate tax burden is too low. Is it low because some other comparable property can be found somewhere where the tax is higher? Or is the higher one too high?

The test of the adequacy of a property levy would seem better reflected in the proportion it supports of the total income than whether it is higher or lower than some city of the same size.

Cities have traditionally depended upon the real-estate tax for the bulk of their revenue especially since the States and counties have tended to reserve for themselves other sources of income.

Only a few weeks ago representatives of 9,500 cities meeting here emphasized that

the day has passed when this condition can continue. Other sources of revenue must be made available to cities, they declared.

The charts above indicate the share which taxes on real property play in the total District income picture and also the share with relation to taxes alone.

Remember that the realty tax percentages shown in these charts represent almost 100 percent collection by the assessor. The actual collection figure of realty taxes due since 1877 is 96.96—which Mr. Dent unhesitatingly calls the best collection record in the world for a major city.

A large part of this unquestionably is due to the fact that the levy here has not reached the exorbitant stage. If it should, then Mr. Dent predicts collections will come much harder and more property will be sold annually at auction for unpaid taxes.

"It's not what you carry on the books that counts," he said, "it's the cash you take in at the counter."

Last year only 2,500 of some 150,000 pieces of taxable property were put up for auction for unpaid taxes.

Theoretically, the most equitable tax program would seem to be that which levies fairly against property, ability to pay, special excises, and broad base coverage. In this way the majority of the residents would contribute to the city's support pretty much in relation to their ability to pay.

Many other cities because of the claims of counties and States on levies cannot do this and have to kick up their realty rates and assessments to meet their mounting costs. The District, if Congress will permit, has in its unique, city-State situation the opportunity to establish a balanced tax program at a single level, without overburdening property, income, or commodities subject to excise.

A SALES TAX IS NECESSARY—OTHERS HAVE COME TO IT AND FOUND IT PRODUCTIVE—THE DISTRICT HAS NO REASONABLE SUBSTITUTE

(By John W. Thompson, Jr.)

It is almost certain to take new revenue legislation to balance the 1950 District budget.

This is because—

1. It is going to prove almost impossible to cut from the budget items totaling \$8,000,000—the amount of the expected deficit by June 30, 1950—without seriously hurting public services here.

2. While Federal loans for new construction may permit reallocation of funds now allotted to these projects in the budget, in the end new construction is going to add to the operating costs of the city. This will require a stable tax support rather than temporary relief. It is clearly unsound to use borrowed money for operating expenses.

This new revenue legislation could be a sales tax, a combined sales-income tax, increased excises such as the liquor tax, an increase in the annual Federal payment toward city expenses, or a reasonable combination of all these.

The Commissioners are counting on the sales tax as the one levy they know of that can definitely raise most of the money they need. They are also believed likely to pair with it a new income tax to replace the unsatisfactory one they got from the last Congress.

This combination would eliminate the present exemption of Federal employees who claim legal residence elsewhere. It would also sweeten the unpopular sales tax for its opponents, the city heads hope.

At present District officials are talking in terms of a 2-percent sales tax with a tax on incomes over \$5,000. Their bill, which passed the House in the last Congress, called for a similar sales-tax rate but a tax on incomes over \$8,000. Assessor Edward A. Dent has expressed his feeling that anyone making

\$5,000 ought to pay an income tax. The Commissioners, so far, have not acted on this.

The device of the combined sales-income levy originated in 1938 with Dr. Chester Pond, New York tax expert, who made a study of the situation here.

At the time it was thought his solution was ideal for the Capital, in that the sales tax would reach the large transient population which uses city services and pays nothing toward them. At the same time the income tax would levy against ability to pay and thus temper some of the objection to a sales tax. His original exemption, however, was \$14,000, which, he figured, would eliminate the controversy over taxing Federal employees locally, since Federal salaries rarely reached that level.

Modifications of this plan, consisting chiefly of lower exemption figures, were defeated then and in the last Congress.

Labor and liberal groups—traditional foes of the sales tax—are expected to renew the fight. In general they may be expected to support a new income tax with higher rates and no exemption of Federal workers. Similar attempts to broaden the local income levy coverage have always been defeated since the first income tax was enacted in 1939. Such legislation has already been introduced in the new Congress by Representative KLEIN, Democrat, of New York.

Old arguments against the sales tax are that it hits the poor man harder than the rich; that it is a tax on spending which the poor have to do with their earnings while not touching savings which are open to the wealthy; and that, in effect, it is a wage cut for the poor man.

Proponents contend that the tax is a proven money raiser, easy to administer and collect; that it is peculiarly adapted to Washington; that with proper exemptions it is not an excessive burden on low-income groups; that

the rich man buys more taxable items anyway.

The Commissioners may propose increases in the liquor taxes to help offset the deficit. But even doubling the levies, which are lower than those nearby, would not yield enough to absorb it all. The estimate to the last Congress on doubling the liquor tax was \$2,800,000. Liquor interests may be expected to fight this proposal if it comes up again.

An increase in the Federal payment is indicated. If millions are to be raised in new taxes, the Federal payment should be increased in some proportion. There was no opposition to increasing it by \$4,000,000 last year. The conditions now faced call for another increase this year.

Twenty-four of the 26 State shown above as having sales taxes use the bracket system.

This was the type proposed for the District last year and likely to be resubmitted. No coupons or tokens would be used here under present plans.

This system involves establishment of price brackets and attachment of a tax of approximately 2 percent to each bracket. Items priced within a given bracket range would all carry the same tax.

The District proposal probably will require merchants to collect the tax, turn in all collections less a small discount to cover collection expenses. Eight States do this. Fourteen of them require the retailer to remit a certain percentage of his taxable gross receipts, thus getting the tax whether the merchant has collected it or not.

Illinois, it is said, has no provision for collecting the tax from the customer. A tax of 2 percent is levied against 98 percent of gross receipts of the retailer which may be absorbed by the retailer or passed on to the customer. It is still generally recognized as a sales tax, officials say.

In Ohio the tax is collected through prepaid tax receipts bought by the retailer from

the county treasurer. On each sale the retailer cancels receipts for the amount of tax collected from the customer.

OVERHAULING THE PAY SCALES OF CIVILIAN EMPLOYEES AND MILITARY PERSONNEL

Mr. FLANDERS. Mr. President, during this session the Congress is engaged in overhauling the pay scales of both civilian employees and military personnel. These two major pieces of legislation will be handled by different committees. As one concerned primarily with revisions in the civilian pay schedules, I am interested in seeing coordination of the work of the Congress in these important areas.

I have been particularly interested in knowing what coordination has taken place in the Executive Branch of the Government with respect to the proposed military and civilian pay schedules, maintaining a comparable compensation schedule for all Federal employees.

I wrote the Director of the Bureau of the Budget for information on the relationship between the proposed pay schedules. That information has now been sent me, and, believing that it is of the utmost importance that we keep the regular classified service schedules of pay in private industry and in the armed services in line with each other, I ask unanimous consent to have inserted in the RECORD at this point the material which I have received from the Bureau of the Budget.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF MILITARY AND FEDERAL CLASSIFIED CIVILIAN COMPENSATION—PRESENT SYSTEMS AND PROPOSED REVISIONS

[Source for all tables, U. S. Bureau of the Budget. Prepared by U. S. Bureau of the Budget.]

TABLE 1 (A).—Comparison of major elements of present and proposed military pay with civil-service pay

	Military	Civilian
Components of compensation.	<p>Military compensation is composed of base pay, longevity pay, allowances for quarters and subsistence (tax-free cash or furnished "in kind"), and under certain circumstances, a series of special pays. Although certain minor changes are proposed in H. R. 2553, the basic structure remains the same. Military pay attaches to the serviceman regardless of the job to which he is assigned.</p> <p>1. <i>Base pay.</i>—An annual amount ranging from \$2,160 for second lieutenants to \$8,800 for major generals. For enlisted personnel the range is from \$900 to \$1,980 per year. H. R. 2553 would materially increase these amounts and would correct inequitable relationships between certain officer grades, particularly between lieutenant colonel, colonel, and brigadier general, which now result in an improper grade structure.</p> <p>2. <i>Longevity pay.</i>—At present this increment amounts to 5 percent of base pay for each 3 years of total military service and is cumulative throughout the period of total military service to a maximum of 50 percent of base pay. It applies to all officer grades below the grade of brigadier general and to all enlisted grades. H. R. 2553 would combine base and longevity pay in stated dollar rates for each grade with increases at 2- and 4-year intervals, except for the seventh enlisted grade, generally according to career expectancy.</p> <p>3. <i>Quarters allowance.</i>—A tax-free allowance is now provided officers in varying amounts depending upon grade and dependency status when occupying other than Government quarters. The allowance ranges from \$540 a year for second lieutenants without dependents to \$1,440 a year for colonel and general officers with dependents. H. R. 2553 would continue the quarters allowance with rates ranging from \$720 a year for second lieutenants without dependents to \$1,800 for general officers with dependents. Cash quarters allowances to enlisted personnel are generally restricted to married personnel of the top 3 grades who are authorized to quarter separately and amount to about \$456 per year. Under H. R. 2553 they would be increased to about \$810 per year, and would also be allowed to personnel of the fourth grade after 7 years' service. When public quarters are occupied, the allowance is not paid.</p> <p>4. <i>Subsistence allowance.</i>—At present, officers of all grades receive a tax-free subsistence allowance of approximately \$256 per year if without dependents. Officers of all grades with 1 dependent receive about \$511 per year, except that officers in the grade of major and lieutenant colonel with dependents receive about \$767 a year. H. R. 2553 would provide a subsistence allowance of \$540 per year for all officers regardless of dependency status. Cash subsistence allowances for enlisted personnel are now generally provided only to married personnel of the top 3 grades who are authorized to mess separately, and amount to about \$383 a year. Under H. R. 2553 they would also be allowed to personnel of the fourth grade after 7 years' service and would be at the rate of \$378 a year.</p> <p>5. <i>Pay "in kind."</i>—Under both the existing and the proposed pay systems enlisted personnel receive only a part of their total compensation in cash, while the balance is made up by subsistence, clothing, shelter, etc., furnished "in kind" and nontaxable. For example, the base pay of a private is \$900 per year while the subsistence, clothing, and shelter provided in addition was valued by the Advisory Commission on Service Pay at \$1,296 per year. All personnel receive perquisites "in kind" such as medical care.</p>	<p>Civilian rates of pay provided under the Classification Act for graded employees are established by Congress in the form of a gross annual salary, all of which is subject to income-tax liability. Civil-service pay attaches to the civil-service employee while performing duties classified at that grade.</p> <p>1. <i>Compensation.</i>—Personnel subject to the Classification Act enter each grade to which allocated at a stated entry rate for that grade, regardless of years of Federal service in lower grades, and receive within-grade promotions based upon time and performance of satisfactory service in grade.</p> <p>Ungraded employees are paid on an hourly or daily basis at rates of pay provided for by wage boards established by departmental action; these rates are based on average pay in the private economy in the locality for the type of work performed.</p> <p>2. <i>Overtime.</i>—In general, overtime for work authorized in excess of 40 hours per week is compensated at time-and-half rates for employees with basic compensation of under \$2,980 per annum and at somewhat lesser amounts for employees in higher grades.</p> <p>3. <i>Night differential.</i>—In general, additional pay of 10 percent of basic compensation is authorized for employees whose normal work period is other than during daytime hours.</p>

TABLE 1 (A).—Comparison of major elements of present and proposed military pay with civil-service pay—Continued

	Military	Civilian
Components of compensation—Con.	<p>6. <i>Special pay.</i>—In addition to the above basic compensations and allowances, various special pays are provided. Flight and submarine pay at present amount to 50 percent of base and longevity pay. H. R. 2553 would establish a somewhat reduced scale ranging from \$1,200 per year for second lieutenant to \$2,520 per year in the grade of colonel and a flat \$1,200 per year for general officers. Certain other types of hazard pay are now provided for glider and parachute duty, deep-sea diving, and for observers in aircraft at a flat rate a month of \$50 for enlisted personnel and \$100 for officers. Special pays would be continued by H. R. 2553 for these and certain additional types of hazardous duties.</p> <p>Officer personnel ordered to sea or foreign duty are presently entitled to 10 percent in addition to base pay and longevity and enlisted personnel are entitled to 20 percent; H. R. 2553 would terminate the sea and foreign-duty pay for officers and provide a flat \$15 per month to enlisted personnel in lieu of the present 20 percent. At present doctors and dentists receive an additional \$1,200 during each year of voluntary service if they enter military service prior to Sept. 1, 1952. H. R. 2553 would continue this special pay.</p>	
Hours of work.	Military personnel are on call at all hours of the day, 7 days a week. Work performed at headquarters and field installations and wherever else possible is accomplished within an administrative workweek of about 40 hours.	The statutory workweek for both graded and ungraded employees has been established at 40 hours, and work performed in excess of that is authorized to be compensated by payment of overtime or granting of compensatory time off.

TABLE NO. 1. (B).—Comparison of present and proposed retirement and survivor benefits for uniformed forces with benefits for civil-service employees

Provision	Existing benefits for uniformed forces (based on Army-Air Force system)		Proposed benefits for uniformed forces (H. R. 2553)		Existing benefits for civil-service employees
	Officers	Enlisted	Officers	Enlisted	
I. CONTRIBUTION BY EMPLOYEE	No provision.....	No provision.....	No provision.....	No provision.....	6 percent of basic pay.
II. BENEFIT FORMULA					
A. Retirement annuity (commencing at retirement except as modified by subsequent provisions, and payable for life unless otherwise noted).	2½ percent of base and longevity pay for each year of service ¹ not to exceed 75 percent of active-duty pay.	Same as officers.....	2½ percent of basic pay of highest rank held satisfactorily 6 months during entire service (at rate member would be entitled to receive at retirement if serving in such rank) multiplied by years of service. Maximum: 75 percent of basic pay used in computation.	Same as officers.....	1½ percent of average pay during any 5 consecutive years, multiplied by years of service; or (if average pay is less than \$5,000), the sum of \$25 and 1 percent of such average, multiplied by years of service.
B. Severance pay (lump sum).	(1) Less than 3 years on active list: No benefits. (2) After 3 years on active list: 2 months' base and longevity pay for each year of service not to exceed total of 2 years' pay (applies only if individual not eligible for service or disability retirement).	No provision.....	0-4 years service: ½ month basic pay per year of service; 5-9 years service: 2½ months' basic pay plus 1 month's basic pay for each year of service over 5; 10 or more years service: 7½ months' basic pay plus 1½ months' basic pay for each year of service over 10; maximum 2 years' basic pay.	.....do.....	No provision.
III. COMPULSORY RETIREMENT FOR AGE					
A. Eligibility conditions.....	(1) Mandatory retirement at age 64. (2) Retirement at discretion of the President at age 62. (3) Mandatory retirement for all in permanent grade of brigadier general or below at age 60.	No provision.....	Provision of present laws applicable.	Same as officers.....	Subject to exemption by President. Age 70 with 15 years' service.
B. Amount of benefit.....	Retirement pay for the above equal to 2½ percent of monthly base and longevity pay for each year of active duty ¹ —no more than 75 or less than 50 percent.	.....do.....	See V. Involuntary separation.	.....do.....	II-A.
IV. OPTIONAL RETIREMENT					
A. Eligibility conditions.....	(1) Retirement upon application after 40 years of service—75 percent of base and longevity pay. (2) Retirement upon application after 30 years of service—75 percent of base and longevity pay (retirement discretionary with the President). (3) Retirement between 20 and 30 years' service at discretion of head of department (at least 10 years of which must be active Federal commissioned service).	(1) Retirement after 30 years' service with 75 percent of base and longevity pay for rank held on retirement. (2) Retirement after 20 years' service with 2½ percent of base and longevity pay for rank at time of application, for each year of active Federal service not to exceed 30 years (retired pay may be increased by 10 percent for extraordinary heroism in line of duty).	(1) Age 60 with 20 years' service. (2) 25 years' service—no age restriction—failure of selection for promotion—approval of Secretary. (3) 30 years' service—no age restriction—approval of Secretary.	(1) Age 50 with 20 years' service. (2) 30 years' service—no age restriction. (3) 25 years' service—no age restriction—on active duty when applying—approval of Secretary.	(1) Age 62 with 15 years' service. (2) Age 60 with 30 years' service. (3) Age 55 with 30 years' service. (4) Age 50 with 20 years' service in the investigation, apprehension, or detention of persons suspected or convicted of offenses against United States criminal laws—recommendation of department head and approval of Civil Service Commission.
B. Amount of benefit.....	See I-A standard formula.....	See IV-A.....	(1) II-A..... (2) II-A..... (3) II-A.....	(1) II-A..... (2) II-A..... (3) Choice of II-A or II-B.	(1) II-A. (2) II-A. (3) II-A reduced by ¼ percent for each month under age 60. (4) 2 percent of average pay during last 5 years, multiplied by years of service not exceeding 30.

¹ These phrases, "each year of service" and "each year of active duty," refer to each year of service now creditable in the computation of longevity pay—includes inactive service in Reserve components and National Guard.

TABLE NO. 1 (B).—Comparison of present and proposed retirement and survivor benefits for uniformed forces with benefits for civil-service employees—Continued

Provision	Existing benefits for uniformed forces (based on Army-Air Force system)		Proposed benefits for uniformed forces (H. R. 2553)		Existing benefits for civil-service employees
	Officers	Enlisted	Officers	Enlisted	
V. INVOLUNTARY SEPARATION					
A. Eligibility conditions...	<p>(1) Less than 3 years' active list: No benefits.</p> <p>(2) Over 3 years on active list and:</p> <p>(a) Failure for selection for promotion—severance pay. (See II-B.)</p> <p>(b) Inefficiency, etc.—Retired in grade with retirement pay if eligible for voluntary retirement. If not eligible for voluntary retirement, they will receive severance pay as above.</p>	No provision.....	<p>(1) Separated for reasons other than inefficiency, physical disability, moral unfitness, disciplinary action, or misconduct:</p> <p>(a) 25 years' service—no age restriction—on active duty when separated—continuous active duty last 10 years.</p> <p>(b) 20 years' service—otherwise same as (a).</p> <p>(c) 20 years' service—no age restriction—not on active duty when separated, or, if on active duty, have not served last 5 years on continuous active duty.</p> <p>(d) 20 years' service—no age restriction—on active duty when separated—continuous active duty at least last 5 but less than 10 years.</p> <p>(e) Regular—on active duty when separated—not qualified under (a), (b), (c), or (d).</p> <p>(f) Reserve—less than 20 years' service—on active duty when separated—continuous active duty last 5 years.</p> <p>(2) Separated for age (minimum 60) not qualified for retirement pay under (1).</p> <p>(3) Separated for inefficiency.</p> <p>(4) Separated for moral unfitness, disciplinary action, or misconduct.</p>	<p>(1) Same as officers....</p> <p>(a) Same as officers.</p> <p>(b) Same as officers.</p> <p>(c) Same as officers.</p> <p>(d) Same as officers.</p> <p>(e) Same as officers.</p> <p>(f) Same as officers.</p> <p>(2) Same as officers....</p> <p>(3) Same as officers....</p> <p>(4) Same as officers....</p>	<p>(1) Separated for reasons other than cause on charges of misconduct or delinquency 25 years' service—no age restriction.</p> <p>(2) At least 5 but less than 20 years of civilian service—no restriction on age or reasons for separation.</p> <p>(3) At least 20 years of civilian service—no restriction on age or reason for separation.</p> <p>(4) Less than 5 years of civilian service.</p>
B. Amount of benefit.....	<p>(1) Less than 3 years on active list: No benefits.</p> <p>(2) After 3 years on active list: 1 months' base and longevity pay for each year of active Federal commissioned service, not to exceed 1 year's pay (applies only if individual not eligible for service or disability retirement).</p>	No provision.....	<p>(1) (a) Choice of II-A or II-B.</p> <p>(b) Choice of: (i) II-A, but commencing not earlier than age 60; (ii) 50 percent of II-A (iii) II-B.</p> <p>(c) II-A, but commencing not earlier than age 60.</p> <p>(d) Choice of: (i) II-A, but commencing not earlier than age 60; or (ii) II-B.</p> <p>(e) II-B.....</p> <p>(f) II-B.....</p> <p>(2) II-B.....</p> <p>(3) 50 percent of II-B; maximum, 1 year's basic pay.</p> <p>(4) No benefit.....</p>	<p>(1) (a) Choice of II-A or II-B.</p> <p>(b) Choice of: (i) II-A or II-B but commencing not earlier than age 50; (ii) 50 percent—of II-A; (iii) II-B.</p> <p>(c) II-A, but commencing not earlier than age 50.</p> <p>(d) Choice of: (i) II-A, but commencing not earlier than age 50; or (ii) II-B.</p> <p>(e) II-B.....</p> <p>(f) II-B.....</p> <p>(2) II-B.....</p> <p>(3) 50 percent of II-B; maximum, 1 year's basic pay.</p> <p>(4) No benefit.....</p>	<p>(1) II-A reduced by ¼ percent for each month under age 60.</p> <p>(2) Choice of (a) II-A, but commencing not earlier than age 62; or (b) return of contributions with interest.</p> <p>(3) II-A, but commencing not earlier than age 62.</p> <p>(4) Return of contributions with interest.</p>
VI. VOLUNTARY SEPARATION	No provision.....	do.....	No provision.....	No provision.....	Same as V-(2), (3), and (4).
VI. DISABILITY RETIREMENT					
A. Eligibility condition....	<p>(1) Disability incident to service.</p> <p>(a) Failure to pass physical examination for promotion, retired in grade entitled by seniority;</p> <p>(b) Found by retiring board to be incapacitated for active service; approval by President; retired in permanent grade in no higher temporary grade held;</p> <p>(c) On promotion list but found incapacitated as in (b) above;</p> <p>(d) On active list (or recalled from retirement and disabled) if officer has served temporarily in higher grade, he is retired in highest grade in which disability incurred or determined.</p> <p>(2) Disability not incident to service.</p> <p>(a) Found by retiring board to be incapacitated, may be wholly retired or placed on retirement list at discretion of President;</p> <p>(b) Failure to pass examination, retired or assigned to light duties until completion of 30 years, at discretion of Secretary.</p>	<p>(1) Disability incident to service.</p> <p>(a) Permanent incapacity after 20 years' service;</p> <p>(b) Less than 20 years' service may be eligible for veterans' benefits.</p>	<p>(1) Unfit to perform duties of rank by reason of physical disability resulting from injury or disease—not due to misconduct or willful neglect—disability, 30 percent or more by current VA schedule—disability resulted from performance of active duty or training.</p> <p>(2) Regular entitled to basic pay, or reserve entitled to basic pay ordered to active duty in excess of 30 days, who is unfit to perform duties of rank by reason of physical disability resulting from injury or disease incurred while entitled to basic pay—not due to misconduct or willful neglect—disability 30 percent or more by current VA schedule—15 years of service.</p> <p>(3) Otherwise eligible under (1) or (2), but with disability less than 30 percent; or otherwise eligible under (2), but with less than 15 years' service.</p> <p>(4) Unfit to perform duties of grade by reason of disability resulting from misconduct or willful neglect.</p>	<p>(1) Same as officers....</p> <p>(2) Same as officers....</p> <p>(3) Same as officers....</p> <p>(4) Same as officers....</p>	<p>Totally disabled for useful and efficient service in grade or class of position occupied, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct (within 5 years prior to becoming disabled)—5 years' civilian service.</p>

TABLE NO. 1 (B).—Comparison of present and proposed retirement and survivor benefits for uniformed forces with benefits for civil-service employees—Continued.

Provision	Existing benefits for uniformed forces (based on Army-Air Force system)		Proposed benefits for uniformed forces (H. R. 2553)		Existing benefits for civil-service employees
	Officers	Enlisted	Officers	Enlisted	
VII. DISABILITY RETIREMENT—continued					
B. Amount of benefit.....	(1) 75 percent of total base and longevity pay for rank to which entitled.	(1) 75 percent of average base and longevity pay of grade in which last 6 months' service.	(1) II-A with minimum of 50 percent of basic pay without requirement of 6 months in grade; if disability is found to exist at time of examination for promotion, pay of rank to which member would have been promoted except for disability is used in computation, if higher than any rank which would otherwise be used. (2) Same as (1)..... (3) II-B, with minimum of 3 months' basic pay as defined in (1); or, if eligible for involuntary retirement, benefits as stated in V. (4) No benefit.....	(1) Same as officers..... (2) Same as officers..... (3) Same as officers..... (4) Same as officers.....	II-A; or if eligible for compensation because of injuries while in performance of duties under act of Sept. 7, 1916 (employees compensation) may elect either benefit but may not receive both covering the same period of time.
C. Benefits under veterans' laws.	Under veteran's law pensions are available for injury or disease incurred or aggravated in service; regardless of rank; discharge other than dishonorable; pension barred for disability result of willful misconduct; ratings based on impairment for civil occupation. Peacetime rates are 80 percent of wartime rates which are: (a) Partial disability, from \$13.80 to \$124.20 per month; (b) Total disability, \$138 per month; (c) Various additional payments also authorized, but total pension may not exceed \$360 per month (maximum total peacetime rate: \$288 per month). Individual with 60 percent disability and overeligible for payments for dependents; peacetime payments are 80 percent of wartime rates.	Same as for officers.....	Same as under existing laws.....	Same as officers.....	
D. Physical examination..	No provision.....	No provision.....	May be required periodically during first 5 years of retirement or until age 60, whichever is earlier. (1) If examination shows less than 30 percent disability, monthly benefit ceases; and, if eligible under VII-A-(3) above, receives severance pay as in VII-B-(3). (2) If examination shows physical fitness to perform duties of rank, monthly benefit ceases and member, with his consent, is reappointed to component from which retired at permanent rank held at retirement, or next higher rank. On subsequent retirement, time on disability retirement is credited for continuity and eligibility but is not used in computation.	Same as officers, except age 50. (1) Same as officers..... (2) Same as officers.....	Annual examination required until age 60 unless disability is permanent. If an annuitant recovers before age 60 and is restored to an earning capacity which would permit him to be appointed to some appropriate position fairly comparable in compensation to position occupied at retirement, annuity is continued temporarily after recovery, not exceeding 1 year, to afford opportunity to seek such available position. If recovered annuitant fails to obtain reemployment under Civil Service Retirement Act, he is entitled to deferred annuity at age 62, as in V.
E. Recovery from disability.	do.....	do.....			
VIII. DEATH BENEFITS AFTER RETIREMENT					
A. Eligibility condition.....	do.....	do.....	(1) Any member who dies while receiving disability retirement pay (VII above). (2) Regular who is receiving service retirement pay and dies within 1 year after retirement (except a member who, when retired, elected deferred retirement pay). (3) Same as (2) except dies subsequent to 1 year after retirement. (4) Regular who was separated for disability less than 30 percent and dies within 1 year after separation.	(1) Same as officers..... (2) Same as officers..... (3) Same as officers..... (4) Same as officers.....	(1) Married male employee retired under provision III, IV, V-A-(1), or VII above, who elected a reduced annuity (90-75 percent depending on age of wife). (2) Unmarried employee in good health retired under provision III, IV, or V-A-(1) above, who elected a reduced annuity (90-60 percent) depending on difference in ages of employee and beneficiary. (3) Married male employee retired under provision III, IV, V-A-(1) or VII above, who is survived by widow and child or children. (4) Employee retired under provision III, IV, V-A-(1) or VII above, who is survived by child or children but not by widow or widower.

TABLE NO. 1 (B).—Comparison of present and proposed retirement and survivor benefits for uniformed forces with benefits for civil-service employees—Continued

Provision	Existing benefits for uniformed forces (based on Army-Air Force system)		Proposed benefits for uniformed forces (H. R. 2553)		Existing benefits for civil-service employees
	Officers	Enlisted	Officers	Enlisted	
VIII. DEATH BENEFITS AFTER RETIREMENT—CON.					
A. Eligibility condition—Continued	No provision.....	No provision.....	(5) Regular with 25 years' service, separated for disability less than 30 percent who, though qualified to receive service-retirement pay, elected severance pay and dies subsequent to 1 year after separation. (6) Regular who was involuntarily separated because of failure of selection or failure to qualify for promotion, and dies within 1 year after separation. (7) Regular with 25 years' service who was involuntarily separated because of failure of selection or failure to qualify for promotion, who though qualified to receive service-retirement pay, elected severance pay, and dies subsequent to 1 year after separation.	(5) Same as officers.....	(5) Any death after retirement not included in (1)–4 above.
B. Amount of benefit.....	do.....	do.....	(1) Maximum: \$10,000 payable in monthly installments equal to monthly rate of retirement pay. (2) Maximum: \$10,000 multiplied by fraction equal to retirement pay divided by basic pay decedent would have received if on active duty at death; payable as in (1). (3) Maximum: lesser of (2) above of 1 year's retirement pay; payable as in (1). (4) Same as (1). (5) Same as (3), assuming decedent had elected to receive retirement pay. (6) Same as (1). (7) Same as (5).	(1) Same as officers..... (2) Same as officers..... (3) Same as officers.....	(1) 50 percent of employee's annuity prior to reduction. (2) 50 percent of employee's reduced annuity. (3) (a) Widow—50 percent of employee's annuity prior to any reduction under A-(1) or (2). (b) Child: one-half of widow's annuity, but not to exceed \$900 divided by number of children or \$360, whichever is lesser. Upon death of widow, annuity of children recomputed as in (4) below. (4) Same as (3) (a) but not to exceed \$1,200 divided by number of children or \$480, whichever is lesser. (5) Excess, if any, of contributions with interest to retirement over total annuities received; similarly on termination of all survivor annuities under (1)–(4).
C. Eligible beneficiaries.....	do.....	do.....	(1) Widow or widower; children under 18; parents. (2) Payments made to one or more beneficiaries designated by decedent; if no designation made or if it becomes inapplicable, then in order of precedence indicated above	Same as officers.....	(1) Widow—must be at least age 50 before annuity commences. (2) Any person with insurable interest. (3) Widow under age 50; children under age 18 or disabled. (4) Children under 18 or disabled. (5) Any designated beneficiary; or if no designation to estate.
D. Termination of eligibility.....	do.....	do.....	Death; remarriage of widow or widower; attainment of age 18 by child.	do.....	(1) Death or remarriage. (2) Death. (3) (a) Widow—death, remarriage, or attainment of age 50. (b) Child—death, marriage, attainment of age 18 or recovery from disability if over 18. When annuity of child is terminated, annuities of other children are recomputed as though such child had not survived employee. (4) Same as (3) (a). (5) Lump-sum payment
E. Benefits under veterans' laws.....	See IX. E.....	See IX. E.....	See IX. E.....	See IX. E.....	See IX. E.

TABLE NO. 1 (B).—Comparison of present and proposed retirement and survivor benefits for uniformed forces with benefits for civil-service employees—Continued

Provision	Existing benefits for uniformed forces (based on Army-Air Force system)		Proposed benefits for uniformed forces (H. R. 2553)		Existing benefits for civil-service employees
	Officers	Enlisted	Officers	Enlisted	
IX. DEATH BENEFITS BEFORE RETIREMENT					
A. Eligibility condition	Death must be not as result of own misconduct, must be incident to service ("service connected") and individual must be on active duty.	Same as officers.....	Death of any member while entitled to basic pay or while acting under competent orders on inactive duty training. NOTE. —After effective date of proposed act, no national service life insurance shall be granted (including reinstatement of lapsed policies), nor shall any Government or national service life insurance on which the United States pays the premiums be issued. This does not prohibit conversions.	Same as officers—also any cadet, midshipman, or aviation cadet, who dies in active service.	(1) Married male employee with 5 years' civilian service: (a) Survived by widow; (b) survived by widow and child or children. (2) Any employee with 5 years' civilian service, survived by child or children but not by widow or widower. (3) Any deceased employee not included in (1) or (2).
B. Amount of benefit	A total of 6 months' pay, at rate received at time of death. Lump sum.	No provision.....	Maximum: \$10,000 payable in monthly installments equal to monthly rate of basic pay. Lump sum not exceeding 6 months' pay may be advanced in case of urgent financial need.	Same as officers.....	(1) (a) 50 percent of amount as computed in II-A; (b) (i) widow—same as (1) (A); (ii) child— $\frac{1}{2}$ of widow's annuity but not to exceed \$900 divided by number of children or \$360 whichever is lesser. Upon death of widow, annuity of children recomputed as in (2) below. (2) Same as (1) (a) but not to exceed \$1,200 divided by number of children or \$480 whichever is lesser. (3) Contributions with interest. (1) (a) Same as VIII-C (1); (b) same as VIII-C (3). (2) Same as VIII-C (4). (3) Same as VIII-C (5).
C. Eligible beneficiaries	(1) Widow..... (2) Children..... (3) Designated dependent relative (previously designated by the individual and having an insurable interest in him). Payments made in above order of performance.	do.....	Same as VIII-C.....	do.....	(1) (a) Same as VIII-D (1); (b) same as VIII-D (3). (2) Same as VIII-D (4). (3) Same as VIII-D (5).
D. Termination of eligibility	No provision.....	No provision.....	Same as VIII-D.....	do.....	(1) (a) Same as VIII-D (1); (b) same as VIII-D (3). (2) Same as VIII-D (4). (3) Same as VIII-D (5).
E. Benefits under veterans' laws	Death compensation for death incident to service (incurred in service) payable to children under 18 (up to 21 if undergoing schooling), unmarried widows and dependent parents; peacetime rates are 80 percent of wartime monthly rates which are: Widow, no children, \$75; widow, 1 child, \$100; each additional child, \$15. Children only: 1 child, \$58; 2 children, \$82; 3 children, \$106; each additional child, \$20; dependent father or mother, \$60; dependent parents (each), \$35.	Same as officers..... (Both enlisted personnel and officers can also obtain national service life insurance up to \$10,000 with premiums paid by deduction from pay. This insurance can be converted after separation from service.)	Same as under existing laws.....	do.....	
X. BENEFITS TO MEMBERS ALREADY RETIRED	.....	.....	Provisions of proposed plan (including new pay scales as a basis for computation) are extended to retired members, with proviso that no benefit should thereby be reduced or that no presently retired members should be made ineligible for benefits based on prior laws. Various temporary savings provisions retain rights under present laws to members not yet retired.	do.....	The act of Feb. 28, 1948, granted to members retired prior to Apr. 1, 1948, the choice of: (1) An increase of 25 percent not to exceed \$300; or (2) retention of present annuity and provision of survivor annuity to wife or husband equal to 50 percent of present annuity not to exceed \$600. Prior amendments provided for recomputation of annuities to retired members in accordance with amended formulas, with proviso that no annuity should thereby be reduced.

TABLE 2.—Comparison of military and Federal classified civilian compensation present schedules and proposed schedules
[Entrance rates; annual rates in dollars]

Grade or rank			Active duty compensation				Estimated present annual value of deferred benefits			
Military			Present schedules		Proposed rates		Present schedules		Proposed rates	
Expected entry year ¹	Rank	Classified civilian (general schedule)	Military (Dec. 31, 1948) ²	Classified civilian ³	Military (H. R. 2553) ²	Classified civilian (Classification Act revision) ⁴	Military	Classified civilian ⁴	Military (H. R. 2553) ²	Classified civilian (Classification Act revision) ⁴
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Officers:										
30+	General		\$14,116		\$17,700		\$2,640		\$3,256	
30+	Lieutenant general		11,996		15,550		2,640		3,256	
30	Major general	GS-18	11,371	\$10,305	14,930	\$15,000	2,640	\$618	3,256	\$900
30	Brigadier general	GS-17		10,305		13,000		618		780
30		GS-16	9,136	10,305	13,300	11,500	1,980	618	2,819	690
25	Colonel	GS-15		10,305		10,000		618		600
25			8,681		10,430		1,848		2,187	
19	Lieutenant colonel	GS-14		8,510		8,800		511		528
19		GS-13	7,757	7,432	8,980	7,600	1,502	446	1,798	456
13	Major	GS-12	6,507	6,235	7,490	6,400	1,188	374	1,458	384
7	Captain	GS-11	5,067	5,232	6,180	5,400	911	314	1,166	324
7		GS-10		4,856		5,000		291		300
3	First lieutenant	GS-9	4,311	4,480	5,080	4,600	756	269	899	276
3		GS-8		4,103		4,200		246		252
0	Second lieutenant	GS-7	3,691	3,727	4,340	3,800	648	224	729	228
Enlisted:										
15	Master sergeant (1)	GS-7	3,894	3,727	4,568	3,800	693	224	921	228
11	Technical sergeant (2)	GS-6	3,162	3,351	4,028	3,400	522	201	753	204
7	Staff sergeant (3)	GS-5	2,742	2,975	3,578	3,000	425	178	614	180
3	Sergeant (4)	GS-4	2,556	2,724	2,826	2,750	353	163	474	165
1	Corporal (5)	GS-3	2,376	2,498	2,466	2,500	302	150	363	150
1/2	Private, first class (6)	GS-2	2,256	2,284	2,286	2,300	270	137	307	138
0	Private (7)	GS-1	2,196	2,020	2,196	2,100	252	121	279	126

¹ These are entry years under normal conditions as estimated by Advisory Commission on Service Pay. At present the years of service are generally lower as the result of wartime recruitment and promotions.

² Figures cover base and longevity pay, quarters and subsistence allowances (including subsistence, shelter, and clothing "in kind" to enlisted) and value of military tax exemptions. Other special pay and allowances are in addition. For details refer to tables 2a and 2b. It should be noted that the value of the \$1,500 income exemption from tax, which expired on Dec. 31, 1948, is included in these figures. See table 2a.

³ These pay rates are subject to 6 percent deduction for retirement which therefore reduces current take-home pay by that percentage. See table 2c.

⁴ Estimates cover Government's share of cost of retirement and survivors' benefits provided under civil service retirement system. The Government payment to the retirement fund (assuming 2 1/2 percent interest per annum) approximately matches the employees' contribution of 6 percent.

⁵ These estimates cover the cost to the Government of disability, retirement, severance, and death benefits provided to military personnel on a noncontributory basis, as based on data assembled by the Advisory Commission on Service Pay. The figures represent the cost to the Government for each employee for each year of active service, assuming 2 1/2 percent interest per annum from date of accrual, for retirement and other benefits to be ultimately paid to the employees who qualify for such benefits.

NOTE.—The comparisons here presented have been made on the assumptions that at the upper levels the grade of major general is equivalent to the present CAF-15 or proposed GS-18 grade, since both under existing or proposed statutes are of bureau chief level; at the lower end of the officer scale the second lieutenant grade has been related to the present CAF-7 or proposed GS-7 grade since both are generally filled by professionally trained persons without job experience.

TABLE 2 (B).—Present military compensation rates¹
[Entrance rates for married personnel; annual rates in dollars]

Military grade or rank			Active duty compensation ²							Tax advantage		Total active duty compensation	Present annual value of deferred benefits ³
Expected entry year ¹	Rank	Base pay	Longevity	Subtotal, basic pay	Quarters allowances (tax-free)	Subsistence allowances (tax-free)	Food, clothing, and shelter to enlisted "in kind" ⁴	Subtotal, active duty "gross pay"	On \$1,500 income exemption	On cash allowances ⁵			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Officers:													
30+	General	\$8,800		\$8,800	\$1,440	\$2,711		\$12,951	\$315	\$850	\$14,116	\$2,640	
30+	Lieutenant general	8,800		8,800	1,440	1,011		11,251	285	460	11,996	2,640	
30	Major general	8,800		8,800	1,440	511		10,751	260	360	11,371	2,640	
30	Brigadier general	6,600		6,600	1,440	511		8,551	245	340	9,136	1,980	
25	Colonel	4,400	\$1,760	6,160	1,440	511		8,111	240	330	8,681	1,848	
19	Lieutenant colonel	3,850	1,155	5,005	1,440	767		7,212	225	320	7,757	1,502	
13	Major	3,300	660	3,960	1,260	767		5,987	220	300	6,507	1,188	
7	Captain	2,760	276	3,036	1,080	511		4,627	210	230	5,067	911	
3	First lieutenant	2,400	120	2,520	900	511		3,931	170	210	4,311	756	
0	Second lieutenant	2,160		2,160	720	511		3,391	120	180	3,691	648	
Enlisted:													
15	Master sergeant (1)	1,980	495	2,475	456	383	\$240	3,554	180	160	3,894	693	
11	Technical sergeant (2)	1,620	243	1,863	456	383	240	2,942	100	120	3,162	522	
7	Staff sergeant (3)	1,380	138	1,518	456	383	240	2,597	35	110	2,742	425	
3	Sergeant (4)	1,200	60	1,260			1,296	2,556			2,556	353	
1	Corporal (5)	1,080		1,080			1,296	2,376			2,376	302	
1/2	Private, first class (6)	960		960			1,296	2,256			2,256	270	
0	Private (7)	900		900			1,296	2,196			2,196	252	

¹ As of Dec. 31, 1948. The \$1,500 income exemption from tax expired after this date.

² These are entry years under normal conditions as estimated by Advisory Commission on Service Pay. At present the years of service are generally lower as the result of wartime recruitment and promotions.

³ In addition the Government contribution to dependents' allowances under temporary wartime authority amounts to about 18 percent of the pay and basic cash allowances to enlisted personnel. The additional hazard pay, sea- and foreign-duty pay, and other special pays on the overall average about 19 percent of the total basic pay and basic cash allowances to all personnel. Some of these special pays (e. g., sea- and foreign-duty pay) are relatively widely distributed; others (e. g., flight pay) go at relatively high rates to relatively small groups.

⁴ As estimated by the Hook Commission.

⁵ The tax advantage on tax-free pay "in kind" which is not counted here amounts to \$30 for grades 1-3, and to \$190 for grades 4-7.

⁶ These estimates cover the cost to the Government of disability, retirement, severance, and death benefits provided to military personnel on a noncontributory basis.

Based on the actuarial estimates of the Advisory Commission on Service Pay (averaging its high and low assumptions, and assuming 2 1/2 percent interest per annum) the "present annual value" or discounted annual cost of these deferred benefits for regular nonflying officers is about 30 percent of basic pay. For enlisted personnel the cost to the Government is about 28 percent of basic pay. (If not discounted for interest the cost is much higher.) The figures shown in column 11 represent the amounts the Government would have to lay aside for each employee for each year of active service, assuming 2 1/2 percent interest per annum would be earned by the retirement fund, to ultimately pay the retirement and other benefits to be provided to the employees who qualify for benefits. Viewed from another standpoint, these are the extra amounts the Government would have to pay its military employees if they all took out private insurance policies (at cost, without loading, and assuming 2 1/2 percent interest) to give them the same protection now provided by the Government.

⁷ Figures include personal money allowances.

TABLE 2 (B).—Military compensation rates as proposed by Advisory Commission on Service Pay (H. R. 2553)

[Entrance rates for married personnel—Annual rates in dollars]

Military grade or rank		Active duty compensation ¹									Present annual value of deferred benefits ⁴
Expected entry year ²	Rank	Base pay	Longevity	Subtotal basic pay	Quarters allowances (tax free)	Subsistence allowances (tax free)	Food, clothing, and shelter to enlisted "in kind" ³	Subtotal: Active duty gross pay (including pay "in kind")	Tax advantage on cash allowances ⁴	Total active duty compensation	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Officers:											
30	General	\$11,700	\$360	\$12,060	\$1,800	\$2,740		\$16,600	\$1,100	\$17,700	\$3,256
30	Lieutenant general	11,700	360	12,060	1,800	1,040		14,900	650	15,550	3,256
30	Major general	11,700	360	12,060	1,800	540		14,400	590	14,990	3,256
30	Brigadier general	9,720	720	10,440	1,800	540		12,780	520	13,300	2,819
25	Colonel	7,200	900	8,100	1,440	540		10,080	350	10,430	2,187
19	Lieutenant colonel	5,670	990	6,660	1,440	540		8,640	340	8,980	1,798
13	Major	4,860	540	5,400	1,260	540		7,200	290	7,490	1,458
7	Captain	3,960	360	4,320	1,080	540		5,940	240	6,180	1,166
3	First lieutenant	3,144	186	3,330	990	540		4,860	220	5,080	899
0	Second lieutenant	2,700		2,700	900	540		4,140	200	4,340	729
Enlisted:											
15	Master sergeant (1)	2,430	540	2,970	810	378	\$240	4,398	170	4,568	921
11	Technical sergeant (2)	2,070	360	2,430	810	378	240	3,858	170	4,028	753
7	Staff sergeant (3)	1,710	270	1,980	810	378	240	3,408	170	3,578	614
3	Sergeant (4)	1,440	90	1,530			1,296	2,826		2,826	474
1	Corporal (5)	1,170		1,170			1,296	2,466		2,466	363
1/2	Private first class (6)	990		990			1,296	2,286		2,286	307
0	Private (7)	900		900			1,296	2,196		2,196	279

¹ In addition, hazard pay, sea- and foreign-duty pay, and other special pays would average about 10 percent of the proposed basic pay and basic allowances on the overall. Some of these special pays (e. g., sea- and foreign-duty pay to enlisted personnel) would be relatively widely distributed; others (e. g., flight pay) would go at relatively high rates to relatively small groups.

² These are entry years under normal conditions as estimated by Advisory Commission on Service Pay. At present the years of service are generally lower as the result of wartime recruitment and promotions.

³ As estimated by the Hook Commission.

⁴ Tax advantage on tax-free pay "in kind" to enlisted personnel which is not counted here amounts to additional \$30 for grades 1 to 3, and to \$190 for grades 4 to 7.

⁵ These estimates cover the cost to the Government of disability, retirement, severance, and death benefits provided to military personnel on a noncontributory basis. Based on the actuarial estimates of the Hook Commission (averaging its high and low

assumptions, and assuming 2½ percent interest per annum) the "present annual value" or discounted cost of these deferred benefits for regular nonflying officer would be about 27 percent of basic pay. For enlisted personnel the cost to the Government would be about 31 percent of basic pay. (If not discounted for interest, the cost would be much higher.) The figures shown in column 10 represent the amounts the Government would have to lay aside for each employee for each year of active service, assuming 2½ percent interest per annum would be earned by the retirement fund, to ultimately pay the retirement and other benefits to be provided to the employees who qualify for benefits. Viewed from another standpoint, these are the extra annual rates the Government would have to pay its military employees if they all took out private insurance policies (at cost, without "loading", and assuming 2½ percent interest) to give them the same protection now provided by the Government.

⁶ Figures include personal money allowances.

TABLE 2 (C)—Federal classified civilian pay rates—present schedule and schedules under proposed Classification Act revision

[Entrance rates; annual rates in dollars]

CAF schedule	Classified civilian grade	Present pay schedules		Proposed pay schedules	
		Active service salary rates ¹	Present annual value of deferred benefits paid by Government ²	Active service salary rates ¹	Present annual value of deferred benefits paid by Government ²
CAF-15	GS-18 ³	\$10,305	\$618	\$15,000	\$900
CAF-15	GS-17 ³	10,305	618	13,000	780
CAF-15	GS-16 ³	10,305	618	11,500	690
CAF-15	GS-15	10,305	618	10,000	600
CAF-14	GS-14	8,510	511	8,800	528
CAF-13	GS-13	7,432	446	7,600	456
CAF-12	GS-12	6,235	374	6,400	384
CAF-11	GS-11	5,232	314	5,400	324
CAF-10	GS-10	4,856	291	5,000	300
CAF-9	GS-9	4,480	269	4,600	276
CAF-8	GS-8	4,103	246	4,200	252
CAF-7	GS-7	3,727	224	3,800	228
CAF-6	GS-6	3,351	201	3,400	204
CAF-5	GS-5	2,975	178	3,000	180
CAF-4	GS-4	2,724	163	2,750	165
CAF-3	GS-3	2,498	150	2,500	150
CAF-2	GS-2	2,284	137	2,300	138
CAF-1	GS-1	2,020	121	2,100	126

¹ These pay rates are subject to 6 percent deduction for retirement which therefore reduces current take-home pay by that percentage. This deferred pay is returned to the employee or to his estate upon separation from the service or upon retirement or death.

² It is estimated that the 6 percent contribution for retirement by the employee is approximately matched by the Federal contribution to the civil service retirement

fund (assuming 2½ percent interest per annum). The present annual value of these additional deferred benefits paid for by the Government has been taken, therefore, to be 6 percent of the active service salary rates.

³ These grades are not presently provided for under the Classification Act; personnel holding positions of varying responsibility are now classified as CAF-15.

TABLE 3.—Comparison of proposed military and civil service pay rates with 1948 industrial pay rates
[Annual rates in dollars]

Grade or rank		As reported by Advisory Commission on Service Pay			Proposed Classification Act revision for Federal civilian employees ³
Military		Classified civilian (general schedule or CAF)	Comparable industrial pay rates according to Commission survey in 1948 ¹	Army-Air Force wage board employees in 1948 ¹		Military active duty compensation recommended by Commission ^{2, 3}
Expected entry year	Rank				
Officers:					
30+	General	Executive ^{4(a)}			\$25,000 ^{4(a)}
		do ^{4(b)}			20,000 ^{4(b)}
		do ^{4(c)}			18,000 ^{4(c)}
30+	Lieutenant general	Executive and GS-19 ^{4(d)}			16,000 ^{4(d)}
30	Major general	GS-18	\$33,204		15,000
30	Brigadier general	GS-17	22,824		13,000
		GS-16			11,500
25	Colonel	GS-15	11,844		10,000
19	Lieutenant colonel	GS-14	7,428		8,800
		GS-13			7,600
13	Major	GS-12	6,852		6,400
7	Captain	GS-11	6,180		5,400
		GS-10			5,000
3	First lieutenant	GS-9	4,644		4,600
		GS-8			4,200
0	Second lieutenant	GS-7			3,800
Enlisted:					
15	Master sergeant (1)	GS-7	4,752	\$3,864	3,800
	Technical sergeant (2)	GS-6	4,020	3,216	3,400
11	Staff sergeant (3)	GS-5	3,792	3,072	3,000
7	Sergeant (4)	GS-4	3,564	2,868	2,750
3	Corporal (5)	GS-3	3,240	2,352	2,500
1	Private first class (6)	GS-2			2,286
1/2	Private (7)	GS-1	2,820	2,136	2,196
0					2,100

¹ Average rates.
² Entrance rates—average rates are higher (except for executive grades).
³ See table 2b for components.
⁴ Executive pay bill as reported by Senate committee:
 (a) Heads of executive departments.
 (b) Under secretaries and heads of independent agencies.
 (c) Chairman of boards and commissions and assistant heads of independent agencies.
 (d) Members of independent boards and commissions and specified bureau heads.

NOTE.—Rates shown cover only "active duty" compensation and do not include value of deferred benefits (retirement, etc.). As is indicated in table 2 the value of retirement and other deferred benefits received by military personnel is 2 or 3 times the value received by Federal classified civilian employees; typical industry retirement and benefit plans are less liberal than the civil-service retirement benefits to Federal civilian employees. From the standpoint of employee contributions, military personnel do not contribute toward retirement; roughly 1/2 of industry retirement systems require employee contributions; Federal civil-service employees contribute 6 percent of their salaries toward retirement.

Mr. FLANDERS. Mr. President, I may say that these tables compare House bill 2553, the administration's military pay bill, with Senate bill 1762, the administration's civilian pay bill. I understand that a new bill has been introduced in the House for the military, being House bill 4591. It is my understanding that this bill will be acted upon by the House committee this week. In general, the pay schedules and retirement benefits provided for in House bill 4591 follow rather closely those provided in the administration's original military bill, House bill 2553. The Budget Bureau analysis, which I wish to discuss briefly, is based upon this original bill.

The following major points are indicated by an examination of the material supplied by the Budget Bureau:

First. Under present statutory pay schedules Federal civilian employees with few exceptions have a lower or substantially equivalent take-home pay—after the 6 percent retirement deduction—than military personnel in comparable grades. This comparison does not take into account the special pays—flight pay, sea- and foreign-duty pay, and so forth—which run to a substantial amount for military personnel. Table 2, columns 1 and 2.

Second. The proposed Classification Act revision for civilian employees carries practically no pay increase—\$50 on the average—but rather realines the outmoded pay structure. Table 2, columns 2 and 4.

Third. The proposed military pay bill, H. R. 2553, not merely readjusts the pay structure, but gives a big pay increase. For example, the officer ranks—who already generally make as much as their civilian opposites—seem to be slated for a raise of \$600 and up. Table 2, columns 1 and 3.

Fourth. If these proposals are both enacted without change, it appears that a substantial inequitable relationship would be created between the active service pay for the two largest groups of Federal employees. Table 2, columns 3 and 4.

Fifth. This is only part of the story, however. For the first time the Budget Bureau has estimated the discounted annual value of retirement and other deferred benefits to civilian and military employees of the Federal Government. These benefits add a sizable percentage—over 20 percent of total pay and allowances in some cases—to the compensation of military employees, since the Government pays the entire cost of mili-

tary retirement benefits. But civil-service employees contribute 6 percent of their total pay and the Government contributes another 6 percent on the average. Thus civilian employees generally receive retirement benefits with only one-half or one-third the benefits which military personnel enjoy. Table 2, columns 5, 6, 7, and 8. There would be no real change under the proposed bills in these benefits.

Sixth. When the value of retirement benefits earned each year are added to the active service pay, we find that the proposed civilian pay adjustment will leave civil-service employees far behind the military personnel in total compensation per year of service. Adding and comparing the figures supplied by the Budget Bureau, a grossly disparate situation is indicated.

Mr. President, I ask unanimous consent to have a table titled "Administration's Proposed Military and Civilian Compensation Schedules" inserted at this point in the RECORD. This table was prepared from data supplied by the Bureau of the Budget.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Administration's proposed military and classified civilian compensation schedules as proposed in H. R. 2553 and S. 1762

[Prepared from data furnished by the Bureau of the Budget]

Grade or rank		Active-duty compensation only (entrance rates)				Total compensation (active duty plus value of deferred benefits earned)			
Military rank ¹	Classified civilian (general schedule)	Military	Classified civilian ²	Excess of military over classified civilian ²		Military	Classified civilian	Excess of military over classified civilian	
				Amount	Percent			Amount	Percent
General		\$17,700				\$20,956			
Lieutenant general		15,550				18,806			
Major general		14,930	\$15,000	-\$70	-0.5	18,186	\$15,900	+\$2,286	+14.4
Do	GS-18		13,000				13,780		
Brigadier general		13,300	11,500	+1,800	+15.7	16,119	12,190	+3,929	+32.2
Do	GS-16		10,000				10,600		
Colonel		10,430	9,400	+1,030	+11.0	12,617	9,964	+2,653	+26.6
Do	GS-15 and 14 ³		8,800				9,328		
Lieutenant colonel		8,980	7,600	+1,380	+18.2	10,778	7,956	+2,822	+35.5
Major		7,490	6,400	+1,090	+17.0	8,948	6,784	+2,164	+31.9
Captain		6,180	5,400	+780	+14.4	7,346	5,724	+1,622	+31.8
Do	GS-11		5,000				5,300		
First lieutenant		5,080	4,600	+480	+10.4	5,979	4,876	+1,103	+22.6
Do	GS-9		4,200				4,252		
Second lieutenant		4,340	3,800	+540	+14.2	5,069	4,029	+1,041	+25.8
Do	GS-8		3,800				4,028		
Master sergeant (1)		4,568	3,800	+768	+20.2	5,489	4,028	+1,461	+36.3
Technical sergeant (2)		4,028	3,400	+628	+18.5	4,781	3,604	+1,177	+32.6
Do	GS-6		3,000				3,180		
Staff sergeant (3)		3,578	3,000	+578	+19.3	4,192	3,180	+1,012	+31.8
Sergeant (4)		2,826	2,750	+76	+2.8	3,300	2,915	+385	+13.2
Do	GS-4		2,500				2,650		
Corporal (5)		2,466	2,500	-34	-1.4	2,829	2,650	+179	+6.7
Private first class (6)		2,286	2,300	-14	-0.6	2,593	2,438	+155	+6.4
Do	GS-2		2,100				2,226		
Private (7)		2,196	2,100	+96	+4.6	2,475	2,226	+249	+11.2

¹ Assumes normal years in services.

² Take-home pay is actually 6 percent lower for classified civilian employees because of retirement deduction which military personnel are not required to make.

³ Average.

Mr. FLANDERS. Seventh. It is not hard to see why this kind of situation has not been recognized in the past. The Congress has never before considered the value or cost of retirement benefits when fixing current pay rates, and it has not insisted that the employees bear their full share of the cost of retirement benefits. Furthermore, the Congress has allowed an unusually complex military pay structure to be created. For example, the Budget Bureau lists 11 columns in its table describing the present military pay—see table 2a—and then has to account for additional special pays and allowances in footnotes. How can the Congress legislate rationally when such complex pay systems exist? See, also, table 1a.

Eighth. The military retirement system is far more liberal than the system used for the civil-service employees. The costly features of the military retirement system can be spotted from table 1b:

(a) Every insurance man knows that life annuities at an early age are extremely costly. We permit military retirement after 20 or 25 years of service, or at 40 or 45 years of age. This is a practice which is not ordinarily permitted under civil service.

(b) Disability retirement at 75 percent of pay without regard to the real severity of injury is wasteful—but this would be tightened under H. R. 2553.

(c) Computation of military retirement pay is on the basis of the highest grade held for 6 months. Under civil service the highest average salary for 5 years is the basis.

(d) Most important of all, military personnel do not contribute toward their retirement. This encourages them to seek increased free benefits.

Ninth. The proposed military pay increase is reported to be based on indus-

try pay scales as reported by the Advisory Commission on Service Pay. (See table 3.) However, the military pay rates recommended seem to be higher in the heavily populated officer grades—major and lieutenant colonel—than industry rates. And, of course, when it comes to retirement, the liberal military retirement system far outstrips industry retirement systems.

Tenth. One other outstanding fact has been brought to light by the Budget Bureau study. The cost of the proposed civilian pay readjustment is \$50,000,000. On the other hand, the cost of the military pay increase has been publicized at \$400,000,000. But, I believe, the ultimate cost would be over \$1,000,000,000 a year. Furthermore, these figures are all on the present basis of figuring the cost of retirement on the pay-as-you-go basis, under which we pay the retirement costs of the small armed forces of 30 or 40 years ago and ignore the huge accruing retirement costs for today's large forces. Thus, if we were to compute military retirement cost on an accrual basis, as we do now for civil-service employees, we would find that H. R. 2553 will cost much more in fiscal 1950 and future years. The Senate should look at this matter of costs from a fresh viewpoint. A billion-dollar pay increase for the military is not in keeping with today's \$40,000,000,000 plus budget.

Eleventh. This material suggests that the responsible committees of the Senate get together and see that the necessary coordination of these costly civilian and military bills be accomplished. Otherwise, the stage will be set for costly competing demands for further pay increases by big Government groups who have been left behind by unduly large increases for other big groups of employees.

DISTRICT OF COLUMBIA REVENUE BILL

The Senate resumed the consideration of the bill (H. R. 3704) to provide additional revenue for the District of Columbia.

Mr. FLANDERS. Mr. President, I should like to advert the editorial which appeared in the Evening Star on Wednesday, May 11, to which the Senator from South Carolina [Mr. JOHNSTON] referred earlier in the session today. It seemed to me, as I read the editorial, that it was written more in sorrow than in anger, and I appreciate the friendly spirit of the editor in writing it. There are certain things in it which have been commented on by the distinguished Senator from South Carolina. I do not intend to repeat the arguments he made, because I am in sympathy with 90 percent of them, which is a very high record indeed, for any Senator to apply to the opinions of another Senator, but it is the means by which we finally arrive at conclusions.

I want to refer to one or two things in the editorial which I think are important. The editor says:

Careful estimates of the yield of such an income tax indicate that the District would receive about \$8,000,000 additional. But everybody, including Senator JOHNSTON, knows that Congress is not going to approve such a local income tax.

I raise the question with the editor of the Star whether he believes it is the duty of a Senator to lie down on the job, refuse to open his mouth, refuse to make suggestions of what he believes is for the good of the District of Columbia or of the Nation, simply because he is dubious as to whether his fellow Senators will follow through with him. I say that the editor of the Star has a complete misapprehension of the duty of a Senator of the United States.

The same point occurs later on, when the editor says:

And working both sides of the street, so to speak, he couples his erroneous statement to the Senate concerning Washington's low tax burden with the pious demand that the United States increase its annual payment by 100 percent—something that Congress would refuse to do.

Again, Mr. President, I ask the editor of the Star whether he thinks that no Senator should raise his voice for something he thinks is right because, perchance, 49 out of 96 Senators might vote against it, or even that 80 out of 96 Senators might vote against it, or even that 95 Senators out of 96 Senators might vote against it. I say again, the editor of the Star completely misapprehends the duty of a Senator.

I desire to say only one or two more things very briefly. One of the proposals in the minority report was that the real-estate tax be raised more than the amount called for in the majority report. I am in favor of that. I am in favor of it in spite of the fact that I own my home in Washington and pay real-estate taxes on it. In owning that home and paying real-estate taxes I was surprised to find that the rate was lower than it is in my little home town of Springfield, Vt., with 10,000 population, according to an optimistic informal census. I say that we can raise the real-estate taxes in the city of Washington without getting out of line at least with a little village in Vermont.

Mr. President, I should like to advert also to another point of which I have been reminded by hearing the latter end of the talk by the very able and amiable junior Senator from Washington [Mr. CAIN]. My information is that there is no State income tax in the State of Washington. I may be wrong, but that is the information gathered for me by the Legislative Reference Service. I honor in retrospect and honor in prospect for other things the junior Senator from Washington, because 2 years ago, when he and I were both on the Committee on the District of Columbia, he fought for an income tax in the District of Columbia in spite of the fact that he would have had no offset due to taxes in his own State. That was an unselfish crusade on his part in which I supported him to the best of my ability. I am sorry I cannot support him at the present time.

Mr. HUNT. Mr. President, I send to the desk an amendment and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 6C, line 21, it is proposed to insert the following:

(k) Subsection (k) of said section is amended to read as follows:

"(k) Solicitor's license: Such a license shall authorize the licensee to offer for sale to or solicit orders from licensees for the sale of any beverage on behalf of the vendor whose name appears upon such license and whom the solicitor represents. The name of only one vendor shall appear upon the license but if a solicitor represents more than one vendor a license may be issued such solicitor for each vendor such solicitor represents.

"The annual fee for each such license shall be \$100.

"Nothing in this act shall be construed as repealing any portion of section 7 of the

District of Columbia Appropriation Act for the fiscal year ending June 30, 1903, approved July 1, 1902, as amended."

Mr. HUNT. Mr. President, the amendment just read is recommended by the committee. It provides that what is known in the trade as "detail men," or liquor salesmen, who call on the trade, shall be licensed. The amendment provides for a license fee to be attached to each license issued. I think this explanation is all that is necessary. I ask that the amendment be agreed to.

Mr. BUTLER. Mr. President, I do not exactly understand whether the license as proposed is in line with those prevailing in surrounding territory, that is, the States adjoining Washington, Maryland, and Virginia. Can the Senator give me any information on that point?

Mr. HUNT. I cannot say positively, but my information is that the same type of licensing is in vogue in other States. I know it is in my own State.

Mr. BUTLER. I have been told that the license in Virginia is \$1, whereas the license proposed in the pending amendment is \$100. If that is the case, I wonder what might be the reaction, when it is a matter of only a few blocks distance between the area where a dollar license prevails and the one where a hundred-dollar license prevails.

Mr. HUNT. I cannot see that it would make any difference at all. The detail men, who are, we might say, traveling salesmen for the various distilleries and breweries, may call on the trade, if they are properly licensed, in both the District and Virginia. I cannot see that the license fee makes any appreciable difference.

Mr. BUTLER. Do the authorities expect to collect a considerable amount from this license fee?

Mr. HUNT. They expect some returns. Another situation we are attempting to correct is where one detail man can be the solicitor for various distilleries and breweries.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wyoming [Mr. HUNT].

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk and ask to have printed, so that it will be available tomorrow, an amendment imposing a tax on newspapers.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Does the Senator from South Carolina desire further recognition?

Mr. JOHNSTON of South Carolina. Mr. President, I should like to call for a quorum.

Mr. LUCAS. Will the Senator withhold the call for a moment?

Mr. JOHNSTON of South Carolina. I withhold it.

NOTICE OF VOTE ON MOTION TO RECONSIDER RECOMMITTAL OF LABOR-FEDERAL SECURITY BILL

Mr. LUCAS. If the Senator from South Carolina obtains the floor, it will mean that there will be two or three more speeches this evening, and we cannot conclude the bill now pending before

the Senate today. I think that in a couple of hours tomorrow we can finish its consideration. Under those conditions I am about to ask for a recess.

Before I do that, however, I wish to make an announcement. I have conferred with the junior Senator from Nebraska [Mr. WHERRY], the able minority leader, with respect to House bill 3333, which is known on the calendar as the Labor-Federal Security appropriation bill. That is the bill which was recommended to the Committee on Appropriations, and which is now pending on a motion by the senior Senator from Rhode Island [Mr. GREEN] to reconsider the vote by which the bill was sent back to the committee. The RECORD of yesterday shows that after a discussion I had with the Senator from Tennessee [Mr. MCKELLAR] and the Senator from Nebraska [Mr. WHERRY], it was agreed that we would vote on the reconsideration of the bill on Monday. Now, after having conferred with various Senators, we have agreed to vote on it Tuesday. I have notified the minority leader that I wanted to make this announcement so that the RECORD would show what the new arrangement was.

Mr. WHERRY. Mr. President, I wish to thank the majority leader for working out this arrangement, and for the benefit of the Members of the Senate I may say that, so far as I am concerned, this is the last arrangement the distinguished majority leader needs to work out in connection with this matter. I think plenty of notice has been given. We were very thankful that a decision was reached that the vote be taken on Monday, and now we appreciate very much the fact that it is to go over until Tuesday. I thank the Senator from Tennessee [Mr. MCKELLAR], the Chairman of the Committee on Appropriations, for working out the problem on that basis.

Mr. LUCAS. As I understand, the Senator from Nebraska desired that the vote be had on Tuesday, and we are glad to accommodate him and other Members who are anxious to have it deferred until Tuesday rather than to have the vote taken on Monday.

AMERICAN POLICY TOWARD SPAIN

Mr. BREWSTER. Mr. President, I ask unanimous consent to have incorporated in the RECORD at this point, and to comment briefly thereon, the statement of the Secretary of State, Mr. Acheson, as reported in the New York Times of this morning, dealing with the Spanish situation, and the possible recognition of Spain; also a news article from the New York Herald Tribune, discussing the same situation, as well as a column article by Walter Lippmann dealing with the Spanish situation. I ask that these matters be incorporated in the RECORD at this point, and then I shall comment very briefly upon the subject.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 12, 1949]
STATE DEPARTMENT TRANSCRIPT OF ACHESON'S
REMARKS ON REGIME IN SPAIN

What I should like to do is to try to put this present matter, which involves a vote

in the United Nations as to whether or not the 1946 resolution is to be modified, in its real setting. As you know, the resolution was passed in 1946 by the General Assembly of the United Nations, and it recommended to the member nations that they withdraw their ambassadors from Madrid.

At that time the United States did not have an ambassador in Madrid because Mr. Norman Armour, who had been the Ambassador, had resigned and no one had been reappointed to take his place. Therefore, in carrying out the spirit of the resolution no one has been since appointed to take Mr. Armour's place.

The argument revolves around the question of whether that resolution should be changed and whether the ambassadors should be restored. Now, in the first place, I assume it is everybody's belief that a recommendation by the General Assembly of the United Nations should be followed until it is changed; I do not think there would be any argument about that. Argument might arise about whether we should attempt to change it.

Another preliminary observation: I should like to say that in and of itself this question of whether or not ambassadors, as distinct from chargé d'affaires, are in Madrid is a matter of no real importance at all. This resolution was adopted by the United Nations in the belief that it would lead to certain reforms on the part of Franco which would make the relations with his Government by other free governments more happy. It has not had that effect.

STATES OUR POLICY

Now, why was the resolution passed and what are the issues which grow out of it, and what is American policy?

In the first place, let us state what the policy will be on that resolution. Our policy will be to abstain from voting upon that resolution which is to the effect that the question shall be left to the judgment of each individual member of the United Nations. We shall not vote on that. We shall abstain.

Now, this question, if it has any importance—and it obviously has, because it arouses a great deal of emotion both in this country and in other countries—is because it is a symbol of something else. The reason the 1946 resolution was passed is rooted in history.

The Franco government was one which was established with the active support, and only with the active support, of Hitler and Mussolini. The Republican Government in Spain received the support of the Soviet Union. There were charges at the time that the Republican Government was Communist. Those charges were denied. It is unimportant at this point to go into what, if any, substance they had. The fact of the matter was that a government was established in Spain which was patterned on the regimes in Italy and in Germany and was, and is, a Fascist government and a dictatorship.

The importance is not in throwing words around in talking about Fascists, because other people call us Fascists, too. We do not get anywhere merely by using that word. The important thing is what goes on in Spain.

CITES OBJECTIVES

It is also important what the western European governments think of what goes on in Spain because, as I have said, the important matter is not whether we send an Ambassador instead of a chargé d'affaires; the important thing is what can be done to bring Spain into the community of free nations in Europe in both the economic and the defense fields.

When you think about that you discover at once that the western European governments are opposed, and have publicly stated their opposition, to this collaboration with Spain in the economic and military fields.

Now, why is that so? I say we get nowhere by using such words as "fascism," but if we look at the situation in Spain, we will see some perfectly simple fundamental facts which cannot be obscured. I presume that the foundation of liberty—individual liberty—is not in great phrases at all but in certain simple procedures and simple beliefs, and I should put first on the list of essentials for individual liberty the writ of habeas corpus and an independent judiciary.

One of the things that all dictators do—from the time of the French Revolution and before the French Revolution down to the present time—is to take anyone that they do not like and throw him in the oubliette (dungeon) and there he stays until he dies or until they shoot him or until they take him out. The fundamental protection against that in free countries is the writ of habeas corpus.

EXPLAINS PROCEDURE

Now what does that mean? That means that anybody who is detained against his will may at any time get an order from the court that he shall be produced in person before the court and that those who hold him must justify the fact that they are holding him under the provisions of law. There is nothing more fundamental in the preservation of human liberty than that ancient British tradition which is now incorporated in most of the procedures in the free world. That right does not exist in Spain.

I suppose a second fundamental right, which is useful only if you have the first, is that if you are tried—and, of course, it follows from the writ of habeas corpus, that you cannot be sentenced to prison unless you are convicted of some crime—the second right is that in being convicted of a crime you are convicted not by employees of the state but by your fellow citizens.

That is the right of trial by jury. It means that no judge, even though he be independent, certainly no administrative official, can order you put in jail. The only people who can do that are 10 in some parts of the world, 12 in others, citizens just like yourselves, and if they listened to the testimony and say Joe Doakes goes to jail, then he goes to jail. If they say he does not go to jail, then he does not go to jail. That is fundamental. That right does not exist in Spain.

Then there is the question of religious liberty, which is fundamental to a free exercise of the human personality. That right does not exist in Spain.

RIGHT OF ASSOCIATION

Then there is the right of association—association in political activities, association in trade-union activities, association in benevolent activities—that right does not exist in Spain.

I could go on, but what I want to draw to your attention is that these certain fundamental basic rights of the individual which make the difference between what we call free Europe and the iron-curtain countries, these rights do not exist in Spain, and the Spanish people are prevented from enjoying them by action of the Spanish Government.

It seems perfectly clear to the western European countries that you cannot have an intimate working partnership with such a regime in the economic field and in the defense field. There must be some move to liberalize that. None of them say, nor do we say that Spain, which has never been a full-flowered democracy, must become so.

But they all say that there must be some move toward that situation because if there isn't, what is the use of having ambassadors? We have someone of a different title. It may raise the prestige of the individual a little bit, but what is the use of it all?

It is important only if it becomes a symbol, and if it becomes a symbol of the fact that

after all we don't care much about these rights, then it is a bad symbol. If it ceases to be a symbol, it wouldn't make any difference to anyone whether you had an ambassador or whether you didn't.

But the fundamental thing is that American policy is to try to bring Spain back into the family of western Europe. That is a family matter. You have to convince the Spaniards that they must take some steps toward that end, and you have to convince the Europeans that they have to take some steps. So that it isn't fundamentally a matter which can be brought about by American action, and therefore the policy of the American Government is one which I am quite sure is calculated to please neither group of extremists in the United States—either those who say that we must immediately embrace Franco or those who say that we must cast him into the outermost darkness.

But it is a policy directed toward working with the Spaniards and with the western Europeans, bringing about a situation where these fundamental liberties do exist in Spain and where the western Europeans can bring Spain into the community.

I have spoken at some length on this subject because it is so easy to confuse form with substance.

[From the New York Herald Tribune of May 12, 1949]

ACHESON BARS INITIATIVE ON SPAIN BY UNITED STATES—SAYS NATION IS STILL SYMBOLOF FASCISM—TAFT JOINS VANDENBERG AND CONNALLY IN PLEA TO SEND AN AMBASSADOR

(By Homer Bigart)

WASHINGTON, May 11.—In the boldest official statement yet made on the explosive issue of Spain, Secretary of State Dean Acheson said in a news conference today that the United States would shun the initiative in restoring full diplomatic relations with Spain because the Franco regime remained a symbol of fascism.

It was a statement which, as Mr. Acheson himself admitted, would please neither friends nor foes of Spain. Nor was it likely to silence criticism in the Senate, where Senator ROBERT A. TAFT, of Ohio, chairman of the Republican policy committee, tonight joined Senator ARTHUR H. VANDENBERG, Republican, of Michigan, and Senator TOM CONNALLY, Democrat, of Texas, in urging that the United States exchange ambassadors with Madrid.

Mr. Acheson said the chief bar to lifting the diplomatic blockade was an emotional one. Spain had been built up as a symbol—the last living symbol—of a system the United States has fought to destroy, he said. The Franco regime was established "only with the active support of Hitler and Mussolini," he said, and it was and is a Fascist dictatorship that suppressed basic individual liberties, religious freedom, and the right to organize opposition political parties and free trade-unions.

PRESSURE GROUPS OPPOSED

But tied in with the emotional issue was the pressure from religious bodies. Militant Roman Catholic groups were exerting strong pressure in favor of Spain; militant Protestant groups were just as vigorously opposing Spain. The decision to instruct the United States delegation at United Nations to abstain rather than vote on a resolution to restore ambassadors to Madrid was taken by President Truman and Secretary Acheson because neither of the two great pressure groups seemed dominant.

From the standpoint of practical politics, abstention seemed the only safe course the administration could follow.

Three members of the United States delegation at Lake Success, Mrs. Franklin D. Roosevelt, John Foster Dulles, and Benjamin V. Cohen, tipped the scales in favor of the decision to abstain. Before the General Assembly convened early last month the State

Department had about made up its mind in favor of a "yes" on Spain.

DELEGATES PROTESTED

But when the State Department's view was communicated to the American delegation, Mrs. Roosevelt, Mr. Dulles, and Mr. Cohen protested sharply. Other delegates felt the same way, but did less talking. They prevailed upon the administration to change its instructions, and a compromise was reached on abstention.

The State Department had always contended that the 1946 resolution calling on United Nations members to withdraw ambassadors and heads of missions from Madrid was a futile gesture that would not weaken Franco. Secretary Acheson left the back door to Madrid open today when he said that the matter of whether the United States was represented in Spain by an ambassador or—as at present—a chargé d'affaires was of no real importance at all.

Mrs. Roosevelt and Messrs. Dulles and Cohen argued that Generalissimo Francisco Franco would quite properly regard it as a major diplomatic victory if the Western Powers were to reverse themselves openly now in the matter of diplomatic representation in Spain.

Secretary Acheson told his press conference that the United States would never return an ambassador to Madrid so long as the 1946 resolution remained unchanged.

But if the United Nations General Assembly votes to change the 1946 resolution—a vote is likely tomorrow—President Truman will be advised by the State Department to name an ambassador to Madrid. Absention by the United States, however, makes adoption of the proposal very doubtful.

Secretary Acheson strongly denied that religious or economic motives swayed State Department policy on Spain. When asked to comment on yesterday's charge by Senator OWEN BREWSTER, Republican, of Maine, that "some very distinguished members of the American delegation (at the United Nations) are those who are most earnest in their opposition to recognition of Spain because, forsooth, Spain is a Catholic country," Secretary Acheson would say only that any imputation of religious bias was "poppycock" as far as the State Department was concerned.

The economic argument for full recognition of Spain is one that appeals primarily to cotton interests. Spain wants a loan so she can buy 300,000 bales of cotton. The South has a surplus of cotton. That is one explanation for the sudden demands of Senators of both parties for recognition of the Franco government.

Francisco Marino, chairman of the Banco Hispano Americano, is in Washington trying to swing the loan. He entertained a number of Senators yesterday at a private luncheon.

Secretary Acheson also denied that the United States was trying to line up the Latin-American and Arab states in order to assure a favorable vote on Spain even though the American delegation abstained.

Having decided on abstention, the State Department had to find reasons for its stand. The best argument seemed to be that Spain, after all, was first and foremost a problem for Europe. The western European nations—Great Britain and France, in particular—could never get together with Spain in the economic and defense fields because of the abhorrent nature of the Franco regime.

BEVIN TOSSES "BABY" BACK

This was tossing the baby over to London and Paris. And today Foreign Minister Ernest Bevin of Great Britain tossed the baby right back. Mr. Bevin said he had never favored withdrawing the British Ambassador from Madrid.

"Taking the ambassador away was a decision which I thought did not serve the

interests of our country when it was taken," Mr. Bevin told the House of Commons.

Secretary Acheson was told that a number of Senators had trouble understanding why we kept an Ambassador in places like Moscow, Bucharest, Budapest, Sofia, Warsaw, and Prague, but refused to have one in Madrid. Secretary Acheson replied that such an argument was "dialectic." Besides, he said, we know a lot more about the eastern countries now than we did in 1946.

The trouble was, Mr. Acheson said, that the Spanish problem had become an emotional issue. It was true that Spain was Fascist, but it was no good tossing that word around. The thing to do was for the United States to encourage the revival of fundamental liberties in Spain so that Spain could be brought back into the family of western Europe.

That is precisely what the American Embassy in Madrid has been trying for the last year—and with absolutely no success. A year ago last February, Paul Culbertson, chargé d'affaires, presented to the Franco government a list of proposed reforms that would make the regime more acceptable to the West. All these proposals were ignored.

Secretary Acheson admitted that Spain had made no visible progress along the desired lines. The writ of habeas corpus and the existence of an independent judiciary were essential to individual liberty, and Spain had neither, he declared. "Then there is the question of religious liberty, which is fundamental to a free exercise of the human personality," he said. "That right does not exist in Spain."

WANTS MOVE TOWARD DEMOCRACY

Also nonexistent in Franco Spain, he added, was the right of association—association in political activities, in trade-union activities, and in benevolent activities.

We were not asking, he said, that Spain must suddenly blossom as a full-flowered democracy. But the western European countries were saying that Spain must at least make a move toward democracy.

The issue, he concluded, is "important only if it becomes a symbol, and if it becomes a symbol of the fact that after all we don't care much about these rights, then it is a bad symbol. If it ceases to be a symbol it wouldn't make any difference whether you had an Ambassador or whether you didn't."

On Capitol Hill, Senator VANDENBERG said he had always opposed the 1946 resolution. "In the first place this action was totally inconclusive," he said. "Secondly, our designation of an Ambassador is in no sense approval of the government to which he is accredited."

Senator CONNALLY said he didn't approve of Franco, but wanted an Ambassador in Madrid "for our benefit, not for Spain's." The possibility of Spain entering the North Atlantic security alliance is "wholly improbable," he added.

He expressed these views as Norman Thomas, Socialist Party leader, told the Senate Foreign Relations Committee that he opposed Spain's admission to the alliance. Mr. Thomas said it was a mistake to withdraw Ambassadors from nations whose governments we didn't like. But Spain was a special issue, he added, and it would be a mistake to restore an Ambassador now.

[From the New York Herald Tribune of May 12, 1949]

ON FRANCO AND DEFEATISM

(By Walter Lippmann)

The trouble with sending an Ambassador to General Franco now is that the action will be misunderstood. The Ambassador was withdrawn as a gesture of disapproval and an Ambassador cannot be sent back now without its being taken in Spain and

throughout the world as a gesture of approval.

The gesture of withdrawal was, as Senator CONNALLY says quite rightly, a mistake. It is a mistake we have often made. It is the mistake of treating diplomatic recognition as a testimonial to be accorded governments that we like and denied to governments that we do not like. But in fact we do not maintain embassies abroad or receive them here to express our feelings and opinions about foreign governments, but in order to transact our business with them. The question, therefore, ought never to be whether they are good governments or bad governments but simply and solely whether they are governments with which we are not at war.

The withdrawal of an Ambassador is a meaningless gesture unless it is intended as a warning that even severer measures will follow unless the issue is settled. If the severer measures—the rupture of diplomatic relations, embargo and blockade, and in the last resort war—are not contemplated, then the gesture is a mere pinprick, indeed, a bluff which will quickly be called. There is no graceful or satisfactory way of acting when a bluff has been called. And that—as respects the Ambassadors—is our predicament with Franco. In order to correct the original mistake, which did not impress him or hurt him, we would now have to make the still bigger mistake of appearing to have made up our minds to help him.

The best thing to do under the circumstances is to do nothing at all. We have an Embassy in Madrid and Spain has an Embassy in Washington, and whether the head of the Embassy has the rank of Ambassador or is only a Chargé d'Affaires is not a question of any real importance. The machinery is quite adequate to the business which has to be transacted, and relations are sufficiently correct, and quite cordial enough. If we still had Ambassadors in the two capitals, little would be different than it is except the seating arrangements at dinner parties.

The real argument, of course, is not about ambassadors but about whether Franco Spain should be treated as an ally, made eligible for Marshall aid, given military equipment, and brought into the military system of the Atlantic Pact.

The ardent advocates of sending an ambassador at once are ardent because they think of Franco Spain as a "base." They see that it is protected by the Pyrenees Mountains. They think it is manned by a large fighting army. They know it is governed by a general who is firmly anti-Communist, and puts up with no nonsense from Communists, Socialists, labor unions, liberals, and all the others who have to be considered in governing countries like France, Italy, Belgium, and the like.

But this picture of Franco Spain as a strong, indispensable, dependable ally worth cultivating no matter what our other allies think, is a product of wishful thinking and of blatant propaganda. Franco Spain is not strong, but so weak, so poor, and so primitive that to make it the kind of base we hear about would take years and a program of capital investment on a grand scale.

As for Franco being a dependable ally, his regime rests upon the sullen submission of the disarmed masses of the people to a dreary and bigoted military dictatorship. There is no reason to think that the regime would stand up under the strain of war, or that the Spanish people would continue to submit if arms were put in their hands. The order and stability which so impress the casual visitor are a thin crust and under it there is a smoldering discontent. This discontent is not confined to the Communists, of whom there are not many, and to the anarchists, of whom there are many more,

but exists—waiting for the opportunity to express itself—among businessmen, monarchists, among the clergy, in the army.

This is no time to embrace Franco and lose forever the confidence and good will of all the Spaniards in all walks of life who will eventually remove him. Nor is this the time to entangle ourselves in the internal affairs of Spain as we have become entangled in the internal affairs of China and of Greece.

And as for the strategic importance of Spain, the whole conception is the worst kind of defeatism. The one way to make it certain that no one in Europe would fight if the Russians started to march is to notify the Europeans that the United States expects to retreat rapidly from the Elbe to the Rhine, from the Rhine to the Seine and the Loire, and from there to the Pyrenees. It would be like preparing to defend the United States against a Japanese invasion by fortifying Long Island.

Our true object is to prevent war by making the risks prohibitive and successful aggression impossible, and then by negotiation and compromise with the Soviet Union to end the military partition of Europe. Our concern is not with a part of Europe, but with the whole of Europe, with the defense of Europe as a whole, not with Europe at the Pyrenees, not with Europe at the Rhine, not with Europe at the Elbe, not with Europe at the Vistula, but with Europe as a continent and a civilization, destined to be independent, united, and free.

That may take a long time to achieve. It may not take so long a time as many fear. But we cannot, we should not, settle for less.

The costs will be no heavier, the risks will be no greater, if we stand forth clearly as the partisans of what all Europeans yearn for, of what in the end can alone give hope and faith, the will to endure and to persevere, until a true peace has been made.

Mr. BREWSTER. Mr. President, the interesting thing about the Secretary of State, with his extremely intelligent mind, in attempting to defend what seems to some of us to be a very poor case, is that he apparently proceeds in his statement—and this is the transcript issued by the State Department, and I assume it to be correct—upon the theory that we should in this instance depart from what I had understood was the well-understood practice that we would not try to control the governments of other countries, that that was not a matter of primary or major concern—we have heard that repeatedly said in connection with the European Recovery Administration—and that we could not dictate to other countries their form of government or their economic procedures. Here, however, he apparently proceeds very definitely upon that course. Although he also faces the fact that our previous attempts in that direction have been an utter failure, he still desires to persist in a policy which he himself pronounces has already failed. This is the very interesting aspect of his attempt to defend what I think seems to very many people in this country, and apparently almost the entire membership of the Senate, to be an utterly indefensible position.

Apropos of the question of civil rights to which he refers, it is very interesting to note that, while he contends there is some question regarding the rights enjoyed in Spain at this time by the people, there has been furnished a copy of the charter of the Spanish people adopted by

referendum on July 6, 1947, by 14,000,000 votes, and I quote from the eighteenth clause:

No Spaniard may be arrested except in the cases and in the form prescribed by law. Within a period of 72 hours all arrested persons will be set free or turned over to the juridical authorities.

I read the nineteenth clause:

Nobody may be condemned except under a law prior to the act, under sentence by a competent tribunal, and prior hearing and defense of the interested party.

I shall not undertake to discuss the extent to which these clauses have been implemented, nor shall I undertake to defend the Franco regime, because it has never seemed to me to be the policy of this Government to undertake to determine what were the civil rights of people throughout the world. We are having enough difficulty in determining the civil rights of Americans, and we have not been able to enact legislation which seemed to many in this Chamber and in this country adequate to provide for the civil rights of Americans at the present time. Certainly it is with a very poor face that we undertake to determine whether or not the civil rights of some of the 2,000,000,000 people in the world are being adequately cared for under existing regimes, or to tell them what they should do in that regard.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield.

Mr. WHERRY. Did I understand the distinguished Senator from Maine to state that he was placing in the RECORD the statement of the Secretary of State relative to his position on recognition of Spain?

Mr. BREWSTER. I am. I am placing in the RECORD the full State Department's transcript, but it is, as I note, edited by the State Department. I read:

Following is the text, as edited by the State Department, of Secretary Acheson's extemporaneous answer today to questions on United States policy toward Spain.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. I yield.

Mr. WHERRY. I do not want to interrupt the Senator's statement now, but I should like to have him, before he concludes his remarks, answer this question: Does the statement contain any observation made by the Secretary of State relative to the queries made to him while in attendance on the subcommittee of the Committee on Appropriations, dealing with the appropriations he is asking for, the queries having been propounded by the junior Senator from Nebraska [Mr. WHERRY] and by the senior Senator from New Hampshire [Mr. BRIDGES], not only as to his attitude, but why it was that the representatives of the United States Government in the United Nations refused to vote in the United Nations meeting the other day when there was pending a resolution which looked into the question of recognition, and supported a motion by a vote of 25 to 16 in favor of recognition of Spain and our representation in Spain by full ambassadorship?

Mr. BREWSTER. In the first place, the Secretary apparently undertakes to defend the policy of not having an ambassador there. In the second place, he undertakes to justify the policy of abstention on the ground that this is what he calls a matter for the western European countries; that they are going to determine what the policy should be. He reasons that they do not desire that we should have an ambassador in Spain, and therefore we are not going to have an ambassador there.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. I yield.

Mr. WHERRY. Relative to the first observation made by the Senator, is it not a fact that in all the 170 years during which the United States has recognized foreign countries, and has maintained ambassadors in foreign countries, the basic traditional factor relative to recognition and our having an ambassador in a country is whether or not that country has a stable government? Has our position ever had anything to do with civil rights in other countries as a condition for recognition?

Mr. BREWSTER. I certainly think that the Senator from Nebraska is justified in the statement he has made that for 150 years or more, not only in this country but in all others, the primary question has been, Does the country have a stable, responsible government? That has been the question. If we go into the other question of civil rights, I am quite sure I do not know where we will end.

Mr. WHERRY. Is it not a fact that in 1939 the United States and 52 other nations recognized Spain, and that we had an ambassador there, and that that situation continued until 1946.

Mr. BREWSTER. Yes. And it is also true that at that time the Export-Import Bank made a loan to Spain to purchase cotton, and the loan was paid off on the dot, which is rather unprecedented in our record of international advances in recent years.

Mr. WHERRY. Was the question of civil rights a factor when Spain was recognized in 1939?

Mr. BREWSTER. Not at that time, nor when President Roosevelt wrote a very friendly letter to Franco regarding the invasion of Africa.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. BREWSTER. I yield.

Mr. WHERRY. Does not the Senator from Maine feel that the delegates of the United States representing the United States in the United Nations Organization should vote either yea or nay when it comes to recognizing Spain?

Mr. BREWSTER. That raises a very interesting point, and I shall quote from Mr. Acheson's statement:

But the fundamental thing is that American policy is to try to bring Spain back into the family of western Europe. That is a family matter. You have to convince the Spaniards that they must take some steps toward that end, and you have to convince the Europeans that they have to take some steps. So that it isn't fundamentally a matter which can be brought about by American action—

Apparently it is—

and therefore the policy of the American Government is one which I am quite sure is calculated to please neither group of extremists in the United States—either those who say that we must immediately embrace Franco—

I had not heard anyone suggest that we embrace him—

or those who say that we must cast him into the outermost darkness.

I think that not only does it not please either group of extremists; but so far as we have heard in this Chamber, it does not please a single Member of the Senate of the United States—and I am quite sure some of them would not fall under the category of extremists, which Mr. Acheson so glibly disposes of.

Mr. WHERRY. I thank the Senator from Maine for yielding to me, and I should like to make one observation. I think the representatives of the United States Government in the United Nations should vote one way or the other on the question of whether or not we are to recognize Spain. When a Senator comes to this body, as the Senator from Maine has, he knows that the people of his State want him to take a position for or against a question. I do not believe we should adopt the policy of having our representatives abstain from voting at the direction of the State Department. That simply means thwarting the desires of those who wish the United States to take action. I believe the representatives of the United States in the United Nations should take a position for or against on this matter. I think that the mere categorical statement that they should abstain from voting because the question affects the family of nations is not a sufficient answer. What about our own Nation? Why should we lay down conditions for Spain that we do not lay down with respect to any other country we recognize? We should not only demand that the Secretary of State give us the kind of representation we need but that our representatives should vote their convictions.

Furthermore, if we are to have a policy of imposing conditions upon Spain, that ought to be the policy which we follow with respect to recognition of any other country. The same conditions should be imposed. Why not be consistent, in our attitude toward Spain, with our attitude toward the other countries which we recognize, and in whose capitals we maintain full ambassadorships representing the United States?

Mr. BREWSTER. Does the Senator from Nebraska think that perhaps the Spanish Government might inquire as to how civil rights are cared for in the United States?

Mr. WHERRY. I think that would be a pertinent inquiry.

Mr. BREWSTER. If they could hear some of the eloquent speeches delivered on both sides of this aisle, I think they might conclude that there was something to be said on that score.

Mr. WHERRY. If Spain imposed any such condition upon us, it would be a long time before Spain would recognize the United States.

Mr. BREWSTER. Apparently, that is the conclusion one would form.

I hold in my hand an excerpt from the New York Times of November 23, 1948, taken from an article written by C. L. Sulzberger, whose authority, I think, is widely recognized. He is recognized as an honest, intelligent reporter. The title of the article is "Salazar Controls Portugal by Limited Dictatorship."

I take no exception to the Government of Portugal. I was there last year, and everything was apparently calm and quiet. They had an election, which was of a distinctly one-party type, as a result of the retirement of some of those in the government and the desire of the opposition to supplant them. I am not concerned about the character of the government of Portugal, but it is very interesting to see what Mr. C. L. Sulzberger has to say about it. I ask that the entire article be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SALAZAR CONTROLS PORTUGAL BY LIMITED
DICTATORSHIP

(By C. L. Sulzberger)

But the fact remains that Portugal is a dictatorship with a corporative economic system and what is in effect a single party, the National Union. In the final analysis the state police (Pide) is all-powerful. The country's press is censored, political assemblage is carefully supervised and strikes are forbidden by law—although they occasionally occur.

Technically there are opposition groups now operating openly in Portugal but actually there is only one party and the system is fairly monolithic. The American official viewpoint appears to be that it is a dictatorship and therefore fundamentally and philosophically abhorrent but that nevertheless it is surprisingly benevolent.

Furthermore, some observers emphasize that when Portugal experimented with the western form of republican democracy, all that it got was anarchy and that perhaps a country where half the people don't know how to read and write isn't yet ready for such a development.

One of the strongest criticisms heard of the Salazar system is that there are no signs of any gradual penetration of the people for eventual democracy.

Mr. BREWSTER. I shall read one part of the article:

But the fact remains that Portugal is a dictatorship with a corporative economic system and what is in effect a single party, the National Union. In the final analysis the state police (Pide) is all-powerful. The country's press is censored, political assemblage is carefully supervised and strikes are forbidden by law—although they occasionally occur.

He goes on to describe the difficulties involved in the exercise of rights. I think we could go further in the Mediterranean. We could go on to Ethiopia, or to Saudi Arabia, where a man was taken ill before the Shrine of Mohammed and his head was immediately chopped off, because he happened to be a little bilious. That was done without trial by jury, without any trial, but simply upon the decree of the dictator. We find it per-

fectly possible to have full diplomatic relations with that government. The same is true of many of the other governments which we recognize. There are all degrees of dictatorships and all shadings of democracy throughout the world.

The defense which Mr. Acheson presents rests upon more and more untenable ground. He undertakes to say why we recognize all the iron-curtain countries. He states that it is because we did not discover what they were up to in 1946. We did not know what was going on; although I do not suppose that anyone was in any doubt about what was happening in Russia at that time, when Stalin was in power. The liquidation of the 4,000,000,000 Kulaks was one of the most ruthless and cruel acts in the history of the world. There are other episodes of which we have repeatedly heard.

Mr. Acheson said that we tried the experiment of forcing the Spaniards to get rid of Franco. I think we tried the same thing in Argentina, and it apparently worked out exactly in reverse. Mr. Acheson says, however, that our policy with regard to Franco has failed. Therefore he says that we do not extend the policy of withdrawing ambassadors from the iron-curtain countries because we found that it did not work in Spain; therefore we will not try it in the iron-curtain countries. Why he continues a policy which he admits is a failure, and which is rather detrimental in many aspects to our economic, and possibly security interests, is something which I think remains for him to answer, particularly when apparently the same policy which resulted so disastrously in China, where communism has completely taken over, is being so subtly followed.

If he gets rid of Franco and his government, what does he expect to be substituted in its place? The Spanish Government in exile in Paris says that if it can get rid of Franco it can move in and take over. If that should happen, we would have a direct relationship established with Moscow, which, upon the record, heartily supported the Spanish Republicans in exile, and undoubtedly would be the dominant influence in Spain if only they could get rid of Franco. Is that what our State Department is so earnestly seeking?

As to whether Franco is a threat to world peace, on that score I quote from Mr. Walter Lippmann, who I am sure will be recognized as an authority upon that subject. He says:

But this picture of Franco Spain as a strong, indispensable, dependable ally, worth cultivating no matter what our other allies think, is a product of wishful thinking and of blatant propaganda. Franco Spain is not strong but so weak, so poor and so primitive that to make it the kind of "base" we hear about would take years and a program of capital investment on a grand scale.

I thought the reason was that we were afraid of Franco, that we thought Franco was a menace to world peace. Certainly when we are so much preoccupied with the menace to world peace from Moscow, it is rather ridiculous for us to waste any time or thought upon a regime which,

in his own words, is so utterly insignificant so far as the balance of world power is concerned.

Mr. Acheson in his discussion makes the further point that the State Department is not affected by some of the appeals which have been made. This is why I wish to call attention to the article from the New York Herald Tribune of this morning, which I have already placed in the RECORD. The article is written by Mr. Homer Bigart, and is dated May 11. Referring to Mr. Acheson's statement, which is incorporated in full in the RECORD, Mr. Bigart said:

Mr. Acheson said the chief bar to lifting the diplomatic blockade was an emotional one.

Admitting that the policy has failed, the reason we cannot change it is an emotional one, because it has become a symbol. I think that before our entire foreign policy is determined by so trivial a consideration as that, it had better be very carefully examined.

Mr. Bigart continues:

But tied in with the emotional issue was the pressure from religious bodies. Militant Roman Catholic groups were exerting strong pressure in favor of Spain; militant Protestant groups were just as vigorously opposing Spain. The decision to instruct the United States delegation at United Nations to abstain rather than vote on a resolution to restore ambassadors to Madrid was taken by President Truman and Secretary Acheson because neither of the two great pressure groups seemed dominant.

In other words, according to Mr. Bigart, they apparently had conducted a solemn referendum, since neither side in the religious emotional appeal seemed to be dominant—neither the Catholics nor the Protestants. Therefore we decided to do nothing. It is a most extraordinary presentation of a position, if it is accurately interpreted.

Mr. Bigart continues:

From the standpoint of practical politics, abstention seemed the only safe course the administration could follow.

In other words, according to this interpretation, it was a 100-percent political decision. The article continues:

Three members of the United States delegation at Lake Success, Mrs. Franklin D. Roosevelt, John Foster Dulles, and Benjamin V. Cohen, tipped the scales in favor of the decision to abstain.

Our policy was made, according to this reporter—and he is pretty well informed—by those three persons.

Before the General Assembly convened early last month the State Department had about made up its mind in favor of a "yes" on Spain.

That is what we have been told consistently for the past 6 months. When I was in Madrid in September of last year I was told then unofficially and informally that our policy had absolutely failed, that everyone in the Embassy agreed that it should be changed, that the chargé d'affaires was going home—as he did early in January—and that they were getting ready for the American Government to support the proposal of the South American countries that we restore our Ambassador at Madrid. We

were told that consistently throughout the fall and winter, and up until last week, when suddenly, apparently as a result of the intervention of three of the members of the delegation who have been named, a contrary course was decided upon.

The article continues:

But when the State Department's view was communicated to the American delegation, Mrs. Roosevelt, Mr. Dulles, and Mr. Cohen protested sharply. Other delegates felt the same way, but they did less talking. They prevailed upon the administration to change its instructions, and a compromise was reached on abstention.

I continue to read from the article:

The State Department had always contended that the 1946 resolution calling on United Nations members to withdraw ambassadors and heads of missions from Madrid was a futile gesture that would not weaken Franco.

Mr. President, I hope that is correct. It certainly was a correct prophecy. I gather it was correct as to their opinion.

I read further:

Secretary Acheson left the back door to Madrid open today when he said that the matter of whether the United States was represented in Spain by an ambassador or—as at present—a chargé d'affaires was of no real importance at all.

Mr. President, if it is of no real importance at all, why not have an ambassador there to represent the United States? Or if an ambassador is of no real importance, why not save a few million dollars by not having ambassadors represent us anywhere, but having chargés d'affaires represent us in foreign countries? Are we to believe that all the ambassadors who have served the United States abroad in the many years of our history have been merely a waste of time and money, and of no use at all? I am sure that all the living former ambassadors who have served our country abroad would be quite surprised at such a statement; and I am sure that, to the entire world, this doctrine emanating from the State Department will be a great surprise—namely, that ambassadors are of no real significance or importance at all.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. WHERRY. On that very question, let me say that at the meeting of the subcommittee to which reference has been made, the question the Senator from Maine has just suggested was propounded to the Secretary of State, namely, "If it makes no difference, why should we not have an ambassador in Madrid?"

The next observation which was made in response to that question was that Spain was not a good credit risk, and therefore that was another reason for the position which has been taken by the State Department.

As the distinguished Senator from Maine brought out day before yesterday, the testimony also was that during the last 2 or 3 years we have failed to cash in on the cotton which we could have shipped and sold to Spain. I think 300,000 barrels was the amount, according to the testimony.

Mr. BREWSTER. The Senator means 300,000 bales of cotton, not barrels, I am sure.

Mr. WHERRY. Yes; the testimony was that 300,000 bales of cotton could have been shipped to Spain during that period of time.

Mr. BREWSTER. Of course, the corn which is produced in such large quantities in Nebraska is measured in barrels.

Mr. WHERRY. I am talking about cotton and about bales of cotton, even though cotton is not produced in my State. I am satisfied that the correct figure is 300,000 bales of cotton, which we failed to sell to Spain because of the very fact the Senator from Maine has mentioned, namely, that we did not recognize the existing government in Spain.

Mr. BREWSTER. And also 30,000,000 bushels of wheat.

Mr. WHERRY. So the United States failed to sell 300,000 bales of cotton which could have been sold to Spain if we had recognized the Spanish Government. However, because Spain is said to be a very poor financial risk, the Secretary of State has suggested that the Export-Import Bank make the loan, and that course is being adopted; yet still we are failing to recognize the Government of Spain.

Mr. BREWSTER. Mr. President, I read further from the article, and I think this point is very interesting:

Secretary Acheson strongly denied that religious or economic motives swayed State Department policy on Spain.

Certainly the motive could not have been economic because, from an economic point of view, it has been a dead loss.

I read further:

When asked to comment on yesterday's charge by Senator OWEN BREWSTER, Republican, of Maine, that "some very distinguished members of the American delegation (at the United Nations) are those who are most earnest in their opposition to recognition of Spain because, forsooth, Spain is a Catholic country," Secretary Acheson would say only that any imputation of religious bias was poppycock as far as the State Department was concerned.

Mr. President, whether the Secretary of State intended by that remark to imply that it was not "poppycock" so far as some of the other distinguished advisers of the State Department were concerned—men who are not members of its immediate entourage—I do not know. That seemed to be the rather delicate and clear imputation, if not implication. At any rate, that is the story which has been circulated around the country, and which seems most unfortunate so far as the issue with which we are here confronted is concerned.

I read further from the article:

Having decided on abstention, the State Department had to find reasons for its stand. The best argument seemed to be that Spain, after all, was first and foremost a problem for Europe. The western European nations—Great Britain and France, in particular—could never get together with Spain in the economic and defense fields because of the abhorrent nature of the Franco regime.

Mr. President, if we need any indication of the extreme absurdity of the suggestion that France and Britain were not

able to get together with Spain in the economic field, we need only to realize that, according to the clear and admitted evidence, France and Britain did \$500,000,000 worth of business with Spain last year, to the exclusion of the United States. So it seems a little strange for anyone to suggest that they could not get along with Spain in the economic field.

I read further from the article:

BEVIN TOSSES BABY BACK

This was tossing the baby over to London and Paris, and today Foreign Minister Ernest Bevin tossed the baby right back. Mr. Bevin said he had never favored withdrawing the British Ambassador from Madrid.

"Taking the ambassador away was a decision which I thought did not serve the interests of our country when it was taken," Mr. Bevin told the House of Commons.

If that is the view of the Foreign Minister of Great Britain—we have not heard yet from France, but certainly we have heard from many Members of this body without a dissenting voice—what is the curious influence which keeps our State Department on this course when so few voices outside America are raised in its behalf and when we know that the chief motive power behind the refusal to send a United States ambassador to Madrid comes directly from Moscow. That statement is never challenged. It is clear that the motivation behind that course originated behind the iron curtain. It was fathered and sired there. So what is the curious influence directing our State Department on a course that is calculated to bring about in Spain a result similar to that which has already come upon us in China?

What are the officials in the State Department thinking of? If Franco were a menace to world peace, we might well hesitate to give him encouragement. But when Mr. Lippmann says he is weak and poor, certainly he is not a menace to world peace.

Then what was the reason for the attitude on the part of our State Department which prevailed? Mr. Acheson's answer is that the only reason we do not pull our ambassadors out of the iron curtain countries and out of Moscow is that we tried that at Madrid, and it did not work. That statement is to me a rather futile attempt at a defense of the indefensible. Certainly if that policy has failed, it is high time that we were making a change if we expect to preserve our own self-respect among the nations of the world. When we are recognizing the most bloody dictatorships in the world at the present time by sending ambassadors to those countries; when we are raising no question about civil rights in the case of various countries all over the earth where civil rights have been practically destroyed; when we see what has been transpiring in countries everywhere, and yet we maintain this futile policy; and when our representatives stand up in the meetings of the United Nations, where we are supposed to be the leader in world affairs, and say we cannot make up our own mind to say either "Yes" or "No," it is one of the most pitiful spectacles in American diplomacy that we have been

privileged to witness in recent years. It is far more than a failure to act; it is an acknowledgment of our utter incapacity to function.

It is said that this matter is one pertaining to the western European family of nations. Certainly they are doing business with all the iron curtain countries; they are recognizing them, by sending ambassadors to Moscow and to every one of the iron curtain countries. Then why is it that our State Department must continue this somewhat sinister attitude toward the recognition of a government which, whatever else we may say about it, is neither a menace to world peace nor in danger, under the present regime, of being the subject of a Communist conspiracy?

Mr. President, regarding religious regulations in Spain, I wish to read the sixth clause of the Charter of the Spanish people, adopted last year:

Sixth clause: The profession and practice of the Catholic religion, which is that of the Spanish state, will enjoy official protection.

Nobody will be molested because of his religious beliefs or the private exercise of his cult. No external ceremonies or manifestations will be permitted except those of the Catholic religion.

That was the basis of my statement yesterday that Spain does allow freedom in the exercise of religious worship, but not the same freedom which we recognize in this country, where there is full freedom of manifestation and of proselyting. Those are the restrictions under which they operate. But Spain does allow freedom of assemblage, in accordance with the clause which I have cited.

JOINT MEETING OF THE TWO HOUSES OF CONGRESS

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 59, which was read as follows:

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Thursday, the 19th day of May 1949, at 12:30 o'clock postmeridian, for the purpose of hearing an address by His Excellency Eurico Gaspar Dutra, President of the United States of Brazil.

Mr. CONNALLY. Mr. President, I ask for the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. CONNALLY. Mr. President, the President of Brazil will be here on that occasion. It is felt that as a matter of comity and good relations and courtesy between the two countries, we should hear the address of the President of Brazil at a joint meeting of the Congress. The concurrent resolution has already been adopted by the House of Representatives.

Mr. WHERRY. Mr. President, I am proud to join the distinguished Senator from Texas in the statement he has made. There is no objection whatever to the resolution. I think it should be agreed to.

Mr. CONNALLY. I thank the Senator very much.

The PRESIDING OFFICER. The question is on the adoption of the concurrent resolution.

The concurrent resolution (H. Con. Res. 59) was agreed to.

EXECUTIVE BUSINESS

Mr. WHERRY. Mr. President, as in executive session, I ask unanimous consent that the Senate proceed to the consideration of the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of the Executive Calendar.

EXECUTIVE MESSAGES REFERRED

As in executive session, The PRESIDING OFFICER (Mr. SPARKMAN in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. The Chair suggests that the nomination of William O. Jones to be postmaster at Delmont, S. Dak., was recommitment.

Mr. WHERRY. I ask that the other post office nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

COAST AND GEODETIC SURVEY

The legislative clerk read the nomination of Franklin R. Gossett, to be commander.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. WHERRY. I ask that the President be immediately notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be immediately notified.

GULF STATES MARINE FISHERIES COMMISSION—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I submit a conference report on Senate Joint Resolution 42, creating the Gulf States Marine Fisheries Commission, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 42) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf Coast and creating the Gulf States Marine Fisheries Commission, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

The amendment is as follows:
Page 6, line 16, after the word "limit", insert "or add to".

LYNDON B. JOHNSON,
HERBERT R. O'CONNOR,
OWEN BREWSTER,
Managers on the Part of the Senate.

SCHUYLER OTIS BLAND,
CLARK W. THOMPSON,
ALVIN F. WEICHEL,
VICTOR WICKERSHAM,
THOR C. TOLLEFSON,
Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the conference report?

There being no objection, the report was considered and agreed to.

SENATOR LUCAS' JEFFERSON-JACKSON DAY SPEECH

Mr. CAIN. Mr. President, we have in this country two great political parties. What they say and do and fail to do is of importance to the Nation. For about 30 minutes the junior Senator from Washington wishes to reflect on some official pronouncements recently made by an official spokesman of the Democratic Party. I do not pose as a spokesman for the Republican Party, though I think my views will be shared by most of the Members of the Senate on my side of the aisle.

On April 10 the chairman of the Democratic National Committee passed the official word along to his party members that the first phase of the 1950 campaign would be to fix the blame for the legislative stalemate on the Republican Party. Those words, "fix the blame," were quoted directly by a New York Herald Tribune reporter.

Hitting below the belt is, of course, not a new technique in Democratic campaigning. It certainly worked successfully in the last Presidential campaign. But, Mr. President, you do not have to take my word for the fact that some Democrats in the last campaign hit below the belt. Secretary of Agriculture Brannan admitted they did in a radio forum discussion of April 18, particularly with reference to the Republican Eightieth Congress farm bill. He sheepishly laughed off the charge of the senior Senator from Minnesota that Democrats hit below the belt last fall with the remark, "Well, of course, but that was a campaign."

The opening gun in the Democrats' anything-goes campaign for the 1950 elections apparently was fired by the distinguished majority leader on April 7 at the Jefferson-Jackson Day dinner in Chicago. On that occasion the senior Senator from Illinois [Mr. LUCAS] introduced the new Democratic parlor game of pinning the donkey's tail on the Republican elephant. Condemning the Congress and pinning the blame on Republicans for anything that happened became such a popular pastime after the Eightieth Congress that now the Democrats cannot stop the game, even though the mistakes are now those of the Democrats and no longer those of the Republicans.

I first became aware of the Chicago speech which was delivered by the senior Senator from Illinois through an inter-

esting note from a friend in Illinois who sent me an unexpurgated copy of the speech. In his note he said:

I would advise that you read this speech by SCOTT LUCAS carefully. It is my opinion that it will be the official document for use among the colored people in the 1950 campaign, especially if none of the civil-rights program is passed at this session. The Democrats feel that they have the Republicans in a hole. They therefore feel that they can pass the rest of their program without offending their southern allies. I was told by a Democrat who attended this \$50-plate dinner that LUCAS did a magnificent job of delivery and that the civil-rights part was a masterpiece of eloquence if not of fact. I was told by this Democrat further that it was the most effective political speech that he had heard in his entire life. His feeling was that it was timed perfectly, well written, and just long enough. Over half of it is on the civil-rights issue.

After reading the speech myself, I agreed pretty completely with the observations made by my friend. The speech was a good one. That it was delivered with grace and effectiveness I take for granted, for the senior Senator from Illinois is an able and gracious man. It is good to welcome him back again after an absence of some weeks, and I join happily with those who sincerely hope that he will soon find himself fully recovered in health, happiness, and spirits. I share a fondness for the senior Senator from Illinois which is only laid aside in order that I may speak with him professionally about two importantly contrasting points of view in which the American public has a deep concern.

In reference now to his Chicago speech, if the Senator from Illinois does not understand the facts of life about the anatomy and functioning of the Eighty-first Congress, over which he exercises such signal control, perhaps it would be only kind to enlighten him. Certainly from the speech he delivered before his Jefferson-Jackson Day friends in Illinois, it is painfully clear that the Senator does not yet comprehend what happened under his leadership during the first 4 months of the Eighty-first Congress.

Let me quote from the Senator's address where he described the recent filibuster as a nasty Republican plot to kill the phony civil-rights program of the Democratic platform:

While I disagreed with my southern colleagues completely, I could not have anything except respect for their sincerity and their conviction of the righteousness of their cause. Southern Senators who joined in the filibuster—

He explained grandiosely—

in the main directed their speeches toward the issues before the Senate.

But my Republican colleagues behaved very strangely in the filibuster fight. As an example, Senator CAIN, of Washington, wasted more than 7 hours of the Senate's time by making a violent attack on Governor Mon C. Wallgren, one of the President's appointees.

Then Senator WATKINS, of Utah, and Senator DONNELL, of Missouri, spent many hours in criticizing the Atlantic Pact.

Senator BRIDGES spent considerable time with frivolous speech on Government publications. And so we experienced hours and hours of debate upon immaterial and ex-

traneous matters by Republicans whose party has always claimed to be the traditional champion of civil rights.

Since the Democratic floor leader is so completely off base in comprehending what actually happened, the task of setting him straight will have to be undertaken.

It seems rather amusing that the harassed floor leader could find nothing in his heart "except respect," as he said, for the "sincerity" of his southern Democrat colleagues and for "their conviction of the righteousness of their cause." Yet, for the efforts of Republicans to get some urgent and pressing issues settled by the Congress, despite the log jam created by his party, this same unbiased floor leader could find nothing in his heart except scorn.

He specifically complained that the junior Senator from Washington wasted 7 hours in attacking the President's nominee for the post of Chairman of the National Security Resources Board. As a matter of actual and important fact, with which a majority of the thoughtful citizens of this land fully agree, the Senator from Washington was confronted with no choice but to interrupt the delaying tactics of the filibuster if he, in representing tens of thousands of American citizens, were to succeed, on time, in placing before the Senate the facts concerning the monumental mistake which would have been made if the nomination had been approved.

I want to say to the senior Senator from Illinois, what he is fully conscious of, that those seven precious hours to which he referred were not wasted hours. They were spent in defining the imperative American need for selecting men of competence, character, and capacity to fill important executive assignments. I have a right to believe that most of those who constituted the Senator's Chicago audience will agree with this necessity. In the end, the nomination in question was tabled and that was two long months ago. I sadly reflect on who is responsible for the time which has been so senselessly and needlessly wasted since the nomination was tabled on March 15. Confusion and lack of purpose are the order of the day within the National Security Resources Board because an individual for whom the majority leader of the Senate works continues to place political favoritism and preference above the crying needs of our people's common good and security. Never in my time, Mr. President, have I seen so very little accomplished in so much time as during the past 2 months.

Apparently the majority leader was upset by the tabling of a nomination which at least in part resulted from his mentioned seven wasted hours.

But that is no excuse worthy of the name for trying to shift the blame for his own party's filibuster over to the Republican side.

The Senator from Illinois complained because the Republican Senators from Utah and Missouri interrupted the 3-week filibuster for what he called "many hours in criticizing the Atlantic Pact." The best reply to this is to remind the

Senator from Illinois of his own advice, given to the Senate on the 28th day of February, when first he loosed the flood-gates of filibuster on the Senate.

Said the Senator from Illinois in bringing up the cloture amendment:

I agree strongly with Alexander Hamilton, who declared that the public business must in some way or other go forward.

That is good Republican philosophy, too. For three important weeks, while world events sped by, Democrats controlling the legislative machinery kept it stalled. Republican Senators had every right to interrupt the filibuster in order to register official protest against continuation of the secret-agreements type of foreign policy manipulation conducted by the Democratic administration—the same type of tactic that lost the post-war peace at Yalta, Potsdam, and Tehran.

Every Senator on this floor knows that the Constitution of the United States provides that the President shall only "have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur." Yet, when almost any newsman who wanted it seemed to have access to the top secret text of the Atlantic treaty, through leaks from the State Department, when every day, newspaper after newspaper was printing stories describing the contents of this mysterious document, only the Senate was being kept in the dark on the text. My colleagues on the Republican side of the aisle had not only a right but a duty to demand an accounting from the administration on this important issue.

I am happy to remind the Senator from Illinois that, like my own filibuster interruption, the few hours of time consumed by the Republican Senators from Utah and Missouri during the cloture filibuster resulted in constructive action. On the 18th of March, the text of the Atlantic pact was finally released by Administration officials—the same officials who a fortnight later again reminded this body of the disposition of the President to bypass the constitutional role of the Senate as advisers in the treaty-making power.

I refer to the occasion of the signing on April 4 of the history-making Atlantic Pact, when the thirteen hundred invitations that were issued by the State Department for the witnessing of this event failed to include more than half of the members of this body, who, supposedly, at least, are sharing the treaty-making power with the President. On that occasion, the Senator from Illinois may recall, with pain, that he was himself sufficiently embarrassed to announce that—

I think the State Department was very lax. It certainly was somewhat of a blunder that it failed to work things out so that every Senator would be present and in a prominent spot.

After all, the State Department has got to depend on the Senate to ratify the treaty.

It would have been better to have looked after us than somebody else—

He grumbled.

The distinguished chairman of the Foreign Relations Committee likewise ad-

mitted that the State Department had shown what he called poor taste in this regard.

In his Pin-the-Donkey's-Tail-on-the-Republican-Elephant speech of April 7 at Chicago, the Senator from Illinois further singled out the senior Senator from New Hampshire [Mr. BRIDGES] for a portion of the filibuster blame. Said the Senator from Illinois:

Senator Bridges spent considerable time with frivolous speech on Government publications. And so we experienced hours and hours of debate upon immaterial and extraneous matters by Republicans whose party has always claimed to be the traditional champion of civil rights.

To label as "frivolous" the legitimate effort of a Republican Senator to put a halt, through exposure, to the Administration's misconduct with the taxpayers' funds, strips the pretense from all of the argument of the majority leader. Anybody can recognize the political overtones in that statement. Ridicule is an everyday technique drafted in a pinch by administration spokesmen whenever the revelations of waste in public funds begin to strike home.

The point is not even worth refuting. But it is worth calling attention to the amount of total time consumed by the four Republican Senators in the speeches which the majority leader seeks to imply were responsible for dragging out the filibuster. Less than one-tenth of the time consumed during the 3-week filibuster was utilized by four Republicans named in the Senator's speech. If he wants a strict accounting of the space used by these Republicans during the talks to which he objected, he will find that the Senator from Washington filled 36 pages of the RECORD in his arguments against the President's nominee. The Senators from Utah and Missouri used 21 pages for their demand for the release of the text of the Atlantic Pact. The Senator from New Hampshire exercised his prerogative to report to the Senate in another 10 pages. Sixty-seven pages out of a total of over 740 pages during the 3-week filibuster hardly makes a convincing argument that the Republicans took over the Democrat filibuster.

The Senator from Illinois objects to Republican efforts to do the very thing he claimed he stood for himself—namely, in the words of LUCAS borrowed from Hamilton, to see that "the public business" did, indeed, "in some way or other go forward."

But these were not the only misrepresentations in the Jefferson-Jackson Day address of the Senator from Illinois. I quote further from his Chicago remarks:

Senator ARTHUR VANDENBERG, of Michigan, made an impassioned speech against limiting debate, defending a ruling he had made last year under a set of facts somewhat similar.

The Senator from Illinois was putting words into the mouth of the very distinguished Senator from Michigan. The senior Senator from Michigan made no speech, impassioned or otherwise, against the filibuster measure. It is common knowledge that the senior Senator from Michigan is wholeheartedly in favor of limiting debate by Senate rule. But to state that Senator VANDENBERG made an

impassioned speech against limiting debate is a misconception which it ill becomes the Senator from Illinois to perpetuate, even for a political rally little interested in an unbiased analysis of a Congressional action.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. CAIN. The Senator would be pleased to yield for a question.

Mr. FERGUSON. I am anxious to know whether the Senator is familiar with what the majority party, the Democratic Party, has done since the "so-called filibuster," or the "filibuster," as the Senator may wish to call it, in getting civil-rights legislation to the floor. The junior Senator from Michigan happens to be a sponsor of an antilynching bill and also of an anti-poll-tax bill. I wondered whether the Senator was familiar with the speed with which the Democratic Party has worked to get those bills, or any such bills, to the floor.

Mr. CAIN. I can only respond to the distinguished junior Senator from Michigan by saying that when one reads the record of achievement which has thus far been accomplished in the Eighty-first Congress, it becomes rather apparent to anyone who thinks that there has not yet been, nor is there likely to be, any serious intention on the part of Senators on the other side of the aisle to advance any positive civil-rights issues or bills to the floor of the Senate.

The distinguished senior Senator from Michigan did make a speech, whether impassioned or otherwise, in favor of due process of law in the Senate, as well as in the American way of life everywhere. But this is a far cry from the action charged to him by the Senator from Illinois. For the sake of the record I repeat that the Senator from Michigan was known by all to support the anti-filibuster measure from start to finish.

The Senator from Illinois further distorted the true picture in his blanket charge that—

The responsibility for failure to stop filibusters in the Senate once and for all clearly rests upon the leaders of the Republican Party.

He particularly singled out Senators TAFT, WHERRY, and VANDENBERG for a bit of political vilification. "I again repeat," he said, "that the Republican leadership of this Nation, in the Senate of the United States, must assume the responsibility for striking the dagger into the heart of civil rights."

In reply, I regret that I must detain the Senate for a few additional minutes in order to keep the record straight as to who did and who did not strike the dagger.

Mr. FERGUSON. Mr. President—
The PRESIDING OFFICER (Mr. WILLIAMS in the chair). Does the Senator from Washington yield to the Senator from Michigan?

Mr. CAIN. I yield.

Mr. FERGUSON. If the civil-rights bills were now on the calendar, this might be a good time, I may say as I look over the floor of the Senate, to have the legislation proposed by the Democrats passed, and which they will not bring to the floor, because at the mo-

ment there are not any Democrats on the floor of the Senate.

Mr. CAIN. I think it would be a remarkable record for speed if the bills were passed.

It is a tedious procedure, but obviously necessary; someone must undertake the burden of tracing for the majority leader and his political writers the whole truth involving the filibuster and civil rights. When all the facts have been detailed, it will be immediately clear why the Senator from Illinois was so anxious to scoot out from under. His own hands, and the hands of his party, are not at all clean.

I would pass on to the Senator from Illinois the words of Emerson:

What you do speaks so loud, I cannot hear what you say.

Let us review the actual record on the filibuster issue.

First of all, which party controls the Congress? Painful as the truth may be—certainly it is to some of us—we must all admit that the Truman party holds a greater margin of control over the Senate in the Eighty-first Congress than the Republicans ever did in the Eightieth. Republicans are quite powerless to determine the course of administration legislation.

If the Truman Democrats who control the leadership had truly been interested in pushing through a civil-rights program, they never in the world would have delayed tackling the cloture issue until the 28th of February. The legislative wheels began to move in the Senate during the second week of January. When the leadership really wanted to push through legislation—as in the case of the pay-raise bill for the President—no time was lost in so doing.

The first 2 months of operation on the floor of the Senate during the reorganization of a new Congress are always the slowest 2 months. But even though the cloture resolution had been introduced into the Congress on the 5th of January, the majority leader mapped no strategy to bring it to the floor at a time when a filibuster delay would least have jammed other pending Senate business.

No; instead he arranged to wait until a series of expiring measures would force a compromise end to the filibuster in order to loose the log-jam of vital legislation before the dates of expiration on the old laws.

So, first, it was a phony action in the first place to bring up the measure so late.

In the second place, where was the President's cooperation in all this battle of words for a new cloture rule to open the way for his much-vaunted civil-rights fight?

Did he make any effort to bring his party into line through the patronage squeeze? On the contrary, it was not until 2 months after the cloture rule change was brought to the floor that the President cracked down on his party members. Not February 28, but April 28, was the date on which the President, in the words of a Democratic Representative from Louisiana, "officially placed a patronage purchase tag on the votes on

this measure today." The measure then pending was labor legislation, not the 5-weeks-dead cloture-rule filibuster fight.

But that was not all the President did to give a sly push in the direction away from aiding the pro-civil-rights maneuver.

On the third of March he gave what amounted to a kiss of death to the already weak efforts of his party leaders to salvage something from the filibuster. By making the public announcement in his March 3 press conference that what he really wanted was a rules change requiring only a simple majority vote to choke off debate, the President gave a shot in the arm to the opponents, not the friends, of a cloture rule change.

What he did was to strengthen the contention of cloture opponents that the real purpose of the President was to fix Senate rules, regardless of precedent, so that a rough-shod majority could trample over the rights of minorities. The President dealt an almost fatal blow to the cause of getting any rules change at all. Certainly he raised the question as to whether he really wanted a rules change, or whether he insisted on the impossible in order to erect a straw man to knock down in the next political campaign.

The harried majority leader was himself among the first to throw up his hands at this one. And while the Senator from Illinois was trying to stage a behind-the-scenes recovery from the President's knife thrust, what did the President do? Why, he raced off to Florida for an all-expenses-paid vacation trip, leaving his perspiring lieutenants holding the bag on the Truman civil rights promises.

Of course, no matter how charitable we would like to be with the distinguished majority leader, still we cannot let him travel about the country spreading the false impression that he really worked hard to win the filibuster war. The Senator from Illinois knows that is not the whole truth. True, he worked hard, but not to win the battle.

As a matter of simple record, I will quote from the daily proceedings. All Senators are aware that the only way the filibuster could be defeated before the rules change was by the leadership of the Senate enforcing round-the-clock sessions to wear down the filibusterers. This maneuver the majority leader never attempted. On the contrary, he made the gentle announcement on the very first day of the filibuster move that—

From now on, I may say, we are going to remain in session until 6 o'clock every afternoon and, as the debate proceeds from day to day, we may even sit later than that.

It was not until the second week of the filibuster had begun that, after repeated demands from the Republican side of the aisle, the majority leader finally yielded and kept the Senate to 9 and 10 o'clock sessions. On the fifth of March the Senator from Illinois made a peace bid, offering a guarantee that four-fifths of the Democrats would not seek to break down the two-thirds majority requirement to limit debate, if his Southern colleagues would cease filibustering against the milder curb under considera-

tion. This failed; but the Senator cannot claim that Republicans had anything to do with this collapse.

Following the vote of March 11 on the Barkley ruling, the Republican Senator from Connecticut tried to get the majority leader to agree to continue the Senate in all-night sessions until the matter should be decided once and for all. The reply of the majority leader was that—

I do not know what my strategy is going to be. I do not believe that a good leader ever takes all the responsibility. I think a good leader is one who is led by his people. I intend to consult with a number of my friends on this side of the aisle.

When Republican Senators still pressed him to continue the session that night until conclusion could be reached, the majority leader replied quite seriously:

I want to get the Senate away from here. The newspapermen are becoming tired.

When the majority leader's motion to recess was then voted on, it was the Democrats who voted in a block to close up shop, while the Republicans voted solidly to keep the Senate in session and wear down the filibusterers. The Democrats outnumbering Republicans, they were able to carry the vote.

In the end, of course, the majority leader must shoulder the blame for losing his own fight. It was not the Republicans, but he himself who surrendered to the filibusterers on the 14th of March. On that date, the majority leader broke up agreement efforts by withdrawing during the compromise negotiations on the tentative proposals which the southerners had accepted.

So the abject surrender was really the work of the Senate leadership itself. Walter White, of the National Association for the Advancement of Colored People, saw it that way. In fact, it was admitted by the chairman of the Democratic National Committee, the junior Senator from Rhode Island, that he and White had actually come to physical blows in the Senate corridors on March 15 over the use of the term.

After the March 14 surrender of the Democrat floor leader to the filibuster forces, it became apparent that someone had to attempt a compromise conciliation. It was at this point that Republicans stepped into the breach in order to work out an end to the filibuster. Despite the loose charges of the Senator from Illinois that some sort of deal between Republicans and southern Democrats then developed, this was not true. There was never any deal, or any discussion of any deal, or any intent to have a deal. There was only the legitimate determination that, in the words of Lucas from Hamilton:

The public business must in some way or other go forward.

In the end, the final compromise on the cloture-rules change was a definite victory. The truth emerges that for the first time in 20 years the United States Senate possesses the power to choke off debate on any issue of real national emergency. Credit for this victory goes to the Republican leadership, not the

Democratic. Sour-grapes politicking has led the Democrats to spread a smoke-screen across the real truth—that if they really wanted a civil-rights battle, they would attack it directly and not by subterfuge.

As the distinguished minority leader pointed out, cloture has been applied on four occasions since 1917. These four votes prove the point that the 64-vote requirement under the new rules change would not have made a bit of difference in outcome because all four votes were carried by huge majorities.

Republicans have repeatedly issued the challenge that, if the Democratic leadership is sincere on this whole civil-rights issue, it will bring out some actual legislation to the floor and let a cloture vote develop.

But the Senator from Illinois, the distinguished majority leader, himself let the cat out of the bag as to the private intentions of the Democratic leadership. This occurred on the 11th of March, following the vote on the Barkley ruling. Let me quote from the CONGRESSIONAL RECORD:

Mr. MYERS. And does the Senator from Illinois believe that the vote which was just had is the only vote we may have on civil-rights legislation?

Mr. LUCAS. I think there is a very good possibility that it is the only vote we may have.

There you have it.

The Senator from Illinois obviously hoped to pin a false civil-rights-vote label on the Barkley-ruling vote; and just as obviously intended that a real civil-rights vote, directly on the issue, never would be brought before the Eighty-first Congress.

But he did not reckon on Republicans upsetting his apperception.

On the 21st of April they forced a vote directly on the issue of civil rights in Federal housing. And what did the loud-talking Truman Democrats do? Why, they ran out on civil rights. Without a filibuster to hide behind, they stood exposed in all the naked splendor of their real civil-rights intentions, and they voted against the amendment.

A typical statement revealing the duplicity of the Democratic stand was made by the junior Senator from Illinois when he was asked by a Republican: "Will the Senator please answer my question? Would the Senator be in favor of the amendment if he were certain that the bill would pass?" His "Yes, but" reply was one that might have come from the composite mouths of all the Truman Democrats.

Personally—

He answered—

I do not believe in segregation; but I also know that the Southern States are firmly committed to that principle, and I do not want at this time to disrupt the United States of America during a period of grave national crisis when we are being threatened by the police state in order to force upon them what I believe to be correct.

Of course, I might remind the majority leader that a very distinguished Member from his own side of the aisle probably best pointed up the whole political motivation in this touchy civil-rights battle

which so divides the Democratic Party within itself.

On the 1st of March the senior Senator from Texas stated on the floor of the Senate:

No, Mr. President; I shall not vote to wipe out, to strike down * * * the freedom and liberty of debate in the Senate in order to obtain a handful of paltry votes, some of them covered with slime and corruption.

The Senator from Texas has had many years of experience with Democratic vote getting. He knows that his party is not above negotiating a deal for "a handful of paltry votes, some of them covered with slime and corruption."

No; the Democratic Party cannot continue to go through life blaming all their failures on the Republicans. For 15 years the Democrats controlled the Congress. At one time during their control there were only 16 Republican Senators out of 96. If the Democrats had been sincere, they could long ago have had civil-rights legislation. They much prefer to talk; and to blame the poor Republicans for anything and everything that they think will be to their own political advantage.

I regret that it has been necessary to take the valuable time of the Senate for the purpose of correcting a few of the misapprehensions under which the majority leader was apparently speaking when he made his political address at Chicago on the 7th of April. There were other portions of his remarks that invite correction.

As my time is running short, I can mention but a few. Said the Senator from Illinois:

After the filibuster over civil rights came to its sad conclusion, the Senate took up a bill to extend rent control. Again the Republicans led the struggle to thwart the wishes of the people.

Quite the contrary. It was the wishes of the people to see fair play in rent control that guided the actions of Republican Senators. This we got; and the people can thank the Republicans for this victory. The Senator from Illinois did admit that the law we passed "gives fair treatment to tenants and landlords."

It is interesting to remind him that a year ago, when the Eightieth Congress passed a rent-control law more restrictive than the present law, simply because it was a product of the Republican Eightieth Congress the President begrudgingly labeled it "better than no rent control at all." I thought his message in signing that bill was as vitriolic and vindictive and unreasonable as any Presidential message I have ever read.

But he was very happy to receive the law of the Eighty-first Congress, which, in reality, was more lenient than the Republican legislation. Of course it all depends on whose ox is being gored.

One final point: the Senator from Illinois cast a few more stones in the direction of Republican economy efforts. I can only remind the Senator that the American people today are being forced by the Democrats in control to pay taxes to the Federal Government which are 20 times the amount before the Democrats took over.

We have the highest tax assessment in history—a penalty we have no prospect of avoiding for the rest of our lives to come.

The Republican Party would like to fight the battle for better living standards without having to lose the war of individual freedom. This, we admit, is a more exhausting approach than the Santa Claus theory of the Democrats, and far more difficult to promote among the wide masses of potential recipients of so-called Government hand-outs.

But the Republican Party is convinced that the American people can and must be shown that a Peter-Paul government is not the solution to the problems of a free people. Robbing Peter in order to pay Paul is a cheap and delusive theory of governmental operation which will never succeed in creating new wealth for all of the people in the successful example of past American progress.

The Senator from Illinois may perhaps desire to revise his impressions for his next political address. Should this occur, the junior Senator from Washington has been more than glad to furnish some of the facts for such an effort.

Mr. President, I was surprised that the speech to which I have been referring for some 30 minutes, made by the senior Senator from Illinois, has never appeared in the CONGRESSIONAL RECORD. I think it ought to be there. I think it was made by one who is acknowledged throughout the country to be a present-day administration leader. I had an opportunity to see the distinguished senior Senator from Illinois before I began. He found it necessary to be elsewhere for reasons of health, which I thoroughly understand and approve. I suggested to him the purpose of my rising at this late hour today. He only stated that he would read with interest anything the junior Senator from Washington might care to state for the RECORD. I think what I have stated would be more clear to the senior Senator from Illinois, the majority leader, and to many other interested Americans, if following what I have said, or preceding it—for it makes no difference which—the speech of the senior Senator from Illinois, which was so liberally, but not literally, quoted throughout the United States, were carried in an official document for all to read who care to do so.

I ask unanimous consent that the able address delivered by the senior Senator from Illinois be included in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

Mr. PEPPER. Mr. President, reserving the right to object, I am sure the Senator from Washington would not wish to make the proposal in the absence of the Senator from Illinois. If he will be kind enough to withhold the request until the Senator from Illinois can be present in the Chamber, I am sure the Senator from Illinois will appreciate it. In his absence, I must object.

Mr. CAIN. Mr. President, I regret that I did not ask the Senator from Illinois directly if, with his permission, I might submit his speech for the RECORD. I told him precisely what I was going to

attempt to do, namely, to respond as accurately as I could to his references to Senators generally.

Let me make this parliamentary inquiry: The Senator from Florida has suggested a very courteous procedure to be followed, and certainly I subscribe to his wishes; but I should like to think that if the Senator from Illinois agrees with my hope that his speech will appear in the RECORD, it will appear just before or just after what I have finished relating to the Senate.

Mr. PEPPER. Mr. President, I have no doubt that the Senator from Illinois will in due course wish his remarks to appear in the RECORD. That will be a matter for him to decide; and I am sure that he will note the sentiment expressed by the able Senator from Washington when he returns to the Senate tomorrow, and will give the matter his immediate consideration.

Mr. CAIN. Mr. President, I ask unanimous consent, if it is proper to do so, that what I have just said will not appear in the RECORD tomorrow, in the hope that I shall be given an opportunity to obtain an agreement from the Senator from Illinois, in order that my wish that the two speeches be together shall be accommodated.

Mr. PEPPER. Mr. President, reserving the right to object—

Mr. WHERRY. Mr. President—

Mr. PEPPER. Mr. President, reserving the right to object, I do not make any objection, because as I understand the rules of the Senate, the Senator from Washington has the right to withhold his own remarks from the RECORD according to his own pleasure. Since his request is only an expression of that right, no other Senator, as I understand, has the right to object.

The PRESIDING OFFICER. The Senator from Washington can withhold his speech if he so desires.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. As has been demonstrated by the distinguished Senator from West Virginia [Mr. NEELY], the Senator from Washington can not only withhold his speech until tomorrow, but he can withhold it indefinitely if he so chooses. So I should say that the request of the distinguished Senator from Washington is in keeping with the rule, as expounded by the Senator from Florida. If the Senator from Washington can see the majority leader and they can reach an agreement whereby the majority leader's speech and that of the distinguished Senator from Washington can be incorporated in the RECORD jointly, or one before the other, that will be the proper parliamentary way to handle the question.

Mr. CAIN. Mr. President, I observe to my friend and associate from Nebraska that my intention was to withhold my comments tonight, in the hope that my invitation to the Senator from Illinois to allow his speech to go along with mine would be accepted. On reflection, my invitation to him will continue as an open one, and my remarks as given this

afternoon will appear in tomorrow's RECORD.

RECESS

Mr. PEPPER. Mr. President, there being apparently no other business to be immediately transacted—

Mr. WHERRY. Mr. President, will the Senator yield before he makes the motion to recess?

Mr. PEPPER. I yield.

Mr. WHERRY. I had hoped that I might make the motion to recess. I was asked by the distinguished Senator from Rhode Island [Mr. McGRATH] to do so. I yield, of course, to the distinguished Senator from Florida. However, I wanted the RECORD to show that I deeply appreciate the confidence placed in me by the junior Senator from Rhode Island. It is with deep regret that I must forego that privilege this afternoon as the acting majority leader.

Mr. PEPPER. Mr. President, the able Senator from Nebraska appreciates that, highly as we esteem him personally, the symbolism of his appearing in the role of majority leader is one which we do not wish to encourage. [Laughter.] He performs all his functions with such distinction that I would enjoy seeing him perform this one. But as a result of his kindness and generosity, if I may on such a rare occasion perform the function which he has so many times and so well discharged, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Friday, May 13, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 12 (legislative day of April 11), 1949:

COLLECTOR OF INTERNAL REVENUE

Addington B. Campbell, of Port Norris, N. J., to be collector of internal revenue for the first district of New Jersey, in place of Harry L. Maloney, deceased.

SURVEYOR OF CUSTOMS

Richard W. McSpedon, of Yonkers, N. Y., to be surveyor of customs in customs collection district No. 10, with headquarters at New York, N. Y., to fill an existing vacancy.

IN THE NAVY

The following-named officers for temporary appointment to the grade of rear admiral in the line of the Navy:

Hugh E. Haven Albert K. Morehouse
Delbert S. Cornwell Robert L. Dennison

The following-named officer for temporary appointment to the grade of rear admiral in the Medical Corps of the Navy:

Leslie O. Stone

CONFIRMATIONS

Executive nominations confirmed by the Senate May 12 (legislative day of April 11), 1949:

COAST AND GEODETIC SURVEY

Franklin R. Gossett to be a commander, effective December 23, 1949.

IN THE ARMY

ASSISTANT TO THE QUARTERMASTER GENERAL

Maj. Gen. Roy Charles Lemach Graham, O4971, Army of the United States (brigadier general, U. S. Army), for appointment as assistant to the Quartermaster General,

United States Army, under the provisions of section 9, National Defense Act, as amended, and title V, Officer Personnel Act of 1947.

IN THE AIR FORCE

The nominations of George Talmage Adams, Jr., and other officers, for promotion in the United States Air Force, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947, which were confirmed today, were received by the Senate on May 3, 1949, and appear in full in Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of George Talmage Adams, Jr., which appears on page 5502.

IN THE NAVY

The nominations of James L. Abbott, Jr., et al., for temporary appointment in the Navy, which were confirmed today, were received by the Senate on April 28, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of James L. Abbott, Jr., appearing on page 5242, and ending with the name of Forrest A. Barnes, which is shown on page 5243.

The nominations of William C. Peterson et al. for appointment in the Navy or in the Marine Corps, as indicated, which were confirmed today, were received by the Senate on May 5, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, beginning with the name of William C. Peterson which appears on page 5627.

POSTMASTERS

ALASKA

Ruth L. Nelson, Mount Edgecumbe.
Mary M. Hayes, Whittier.

ARKANSAS

John W. Story, Griffithville.
Leonard B. Hurley, Hector.
Elza R. Tucker, Lowell.

KANSAS

James D. Grisham, Basehor.
Earl W. Wittmer, Bern.
LaVerne P. Marks, Bluff City.
Gordon L. Smith, Bucklin.
Wilton D. Mathews, Centerville.
Joseph G. Donahoe, Clyde.
Helen M. Erickson, Courtland.
Paul T. Welter, Dresden.
J. L. Ketchum, Elkhart.
Esther E. Weiss, Fort Dodge.
Robert K. Baird, Hunter.
Edna M. Kortz, Ingalls.
Elmer Dale Thompson, Isabel.
Clay W. Ellis, Mound City.
Arthur E. Schafer, Norton.
William E. Berry, Offerle.
John Henry Anderson, Ramona.
Forest H. Olsen, Severy.
Lucile Foley, Wathena.

KENTUCKY

Aubrey E. Chesnut, Jr., Barbourville.
Francis L. Cecll, Bardstown.
Addy M. Boyd, Betsey Layne.
David Odus McDowell, Bonnieville.
Fieldon Wocsley, Caneyville.
Sylvia H. Newman, Hi Hat.
Vernon Hall, McDowell.
Mary Celeste McCue, Maple Mount.
Charles S. Johnson, Masonic Home.
William C. Broadwater, Middlesboro.
Belva C. B. Chamberlain, North Middletown.
Park L. Taylor, Pathfork.
William Grady Conley, Salyersville.
Herman H. Clark, Stamping Ground.
Gilmore Blair, Waynesburg.
Haskell Hall, Weeksbury.

NEVADA

Vera L. Wood, Crystal Bay.
Deloris A. Graham, Davis Dam.
Darrell G. Hooper, Ely.
Sue Smith, Fernley.
Dixie G. Bonham, Lovelock.

Elizabeth M. Pruitt, Montello.
Katie Reilly, Sparks.
Edward R. Slavin, Tonopah.
Altha R. Augustus, Tungsten.
James W. Kinney, Winnemucca.
Gloria B. Wylie, Zephyr Cove.

OHIO

Harold L. LaFountaine, Helena.
Richard P. Hampson, Pleasantville.
Philip F. Dickinson, Scioto.

PENNSYLVANIA

Emerson K. Musser, East Earl.
A. Chester Dietrich, East Petersburg.
William E. Zediker, Eightyfour.
John Allen Habel, Garrett.
Victor Lescovitz, Midway.
Anna L. Splain, Mountville.
Winifred C. Brendel, Reinholds.
William Debreczeni, Richesville.
Wiley C. Hamby, Salona.
Leon D. Kingsley, Townville.
Benjamin F. Sherick, Washington Boro.

SOUTH CAROLINA

James H. Witherspoon, Barnwell.
John M. Creech, Blackville.
Robert J. Berry, Jr., Bowman.
Samuel W. Gardner, Jr., Dalzell.
Robertine M. McCracken, Hopkins.
Francis W. Davis, Lykesland.
Edna Wilkinson, State Park.

SOUTH DAKOTA

Ruth Austin, Bancroft.
Vincent L. Geise, Clark.
Ralph A. Phillips, Corona.
Faith L. Thompson, Faith.
George Lehnert, Glenham.
Wilbur L. Connell, Hot Springs.
Math Rauscher, Jr., Kaylor.
Edward J. Green, Lead.
Karl Meler, Longlake.
Dona E. Linehan, Oglala.
Howard J. Hagel, Pine Ridge.
Edward T. Pischke, Sanator.
Oscar G. Kasperson, Sinai.
Mary E. Saunders, Stratford.
Anna M. Hahne, Trail City.
Elmer E. Haraden, Watertown.
Jake D. Ulmer, Wentworth.
Edward D. Siemens, Wolsey.

TENNESSEE

Hale B. Crow, Charlotte.
Raymond Earl Culberson, College Grove.
William E. Dougherty, Cumberland City.
Forest H. Pollard, Daisy.
Roy D. Holselaw, Etowah.
Cloy R. Irvin, Fordtown.
Clyde W. Gray, Graysville.
Neva K. Kubik, Indian Mound.
Iva M. Godwin, Jefferson City.
Homer H. Hackney, Jellico.
Fred C. Vowell, Martin.
Gains T. Sharp, Maynardville.
John W. Pearson, Morrison.
James G. Muse, Mountain City.
Zirkle M. Cooper, Rockwood.
William J. Dougherty, Russellville.

TEXAS

Felix S. Braden, Beaumont.
Daphne P. Birdwell, Boston.
Cecil N. Latimer, Detroit.
Eugene E. McMillian, Jr., Douglassville.
Walter A. Calloway, Howe.
Grover T. Sharbutt, Kirbyville.
Ferman C. Troups, Port Arthur.
Carl F. Webster, Vidor.
Grady W. Hodges, Whitesboro.
Colon A. Barge, Jr., Zavalla.

VERMONT

Conrad H. Laperle, Beecher Falls.
Clara E. Wright, Colchester.
Donat J. Scott, Concord.
Lou B. Maginn, East Fairfield.
Adrian J. Carbonneau, Graniteville.
Dayton J. Wakefield, Morrisville.
Stacy M. Hicks, North Ferrisburg.
Bryan J. Branon, North Troy.
Arthur M. Kelton, Peru.
Lilah M. Prescott, Randolph Center.

Alfred W. Armstrong, Rupert.
Edward T. Sevee, Shelburne.
Susie H. Bellefeuille, Tumbidge.
Julla S. Thompson, Westminster.

WASHINGTON

Margaret C. Smith, Amboy.
Marion W. Newkirk, Belfair.
Clio P. Rebben, Buena.
Norval F. Reeder, Camas.
Lester J. Ott, Carson.
Donald C. Adams, Cowiche.
Clifton H. McCauley, Dayton.
Jack P. Nims, Deming.
Charles W. Allbritton, Goldendale.
Jack H. Petit, Jr., Ilwaco.
Walter A. Woehler, Kennewick.
George D. Scofield, Klickitat.
Katherine A. Hand, Malott.
Norman W. Thompson, Mead.
Janet E. Gillespie, Menlo.
Dorothy L. Fager, Metaline.
Howard M. Mildon, Milton.
George S. Cartier, Moxee City.
Noah E. Petry, Oroville.
Edward K. Godfrey, Pateros.
Pauline T. Iwersen, Point Roberts.
Eula L. Phelps, Prescott.
Jack L. Olson, Rockford.
May S. Falk, St. John.
Signy A. Udd, Sappho.
Jack Henry Meyer, Snohomish.
Caleb A. Hughes, Sunnyside.
Lloyd S. Hale, Tekoa.
Provit D. Wilson, Toppenish.
Clifford P. Albright, Trentwood.
Margaret M. Aldahl, Troutlake.
Nora L. Roe, Vader.
Egbert B. Ward, White Swan.

WEST VIRGINIA

Marie K. Brown, Bridgeport.
Dallas R. Toney, Chapmanville.
William M. Miller, Davis.
Sarah Jane Lively, Edwight.
Opal Stowers, Griffithsville.
Van B. Stith, Highcoal.
Roy Lewis, Huntington.
Miriam A. Hamblin, Institute.
Chester A. Shomo, Junior.
Willard Carson Brownling, Jr., Logan.
Newman Merritt, Lundale.
Ernest D. McGraw, Meadow Bridge.
William J. Teets, Moorefield.
Frances E. Poore, Raleigh.
Glenn R. Holmes, Reedsville.
Pete P. Scarnati, Spelter.
Carrie L. Kirtley, Winfield.

WISCONSIN

Louis W. Kurth, Nellsville.
Hugo Van Winkle, Winter.

WYOMING

Hugh Coffman, Cheyenne.
Florence B. Patrick, Manderson.
Mabel E. Nolan, Mills.
Lyle A. Millard, Riverton.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 12, 1949

The House met at 12 o'clock noon.
The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most merciful Father, help us to begin this day with the spirit of love toward Thee and our fellow men. In the stern obligations that call us to this Chamber, do Thou sanctify our thoughts and hallow our desires, that Thy truth may pour through our minds and hearts.

We pray Thee to help us to recognize the just place of the individual in a well-organized society: the worthy poor man has his rights; the worthy rich man has his rights; and the worthy stranger

within our gates has his rights. Arm us with strength of determination, that we may never make any compromise between vice and virtue, and that we may ever use heart and head to deal justly with all men, and to Thee shall be the praise. Through Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 25, 1949:

H. R. 164. An act authorizing the Secretary of the Interior to convey certain lands to the Churntown elementary school district, California; and

H. R. 779. An act to amend title 28 of the United States Code to provide additional time for bringing suit against the United States in the case of certain tort claims, and for other purposes.

On May 11, 1949:

H. R. 1741. An act to authorize the establishment of a joint long-range proving ground for guided missiles, and for other purposes.

On May 12, 1949:

H. R. 2935. An act for the relief of Mrs. Benjamin Betts.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3083. A bill making appropriations for the Treasury and Post Office Departments and funds available for the Export-Import Bank and the Reconstruction Finance Corporation for the fiscal year ending June 30, 1950, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAYBANK, Mr. HAYDEN, Mr. KILGORE, Mr. McCLELLAN, Mr. JOHNSTON of South Carolina, Mr. CORDON, Mr. REED, and Mr. BRIDGES to be the conferees on the part of the Senate.

PERMISSION TO ADDRESS THE HOUSE

Mr. FENTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include an article appearing in the Mahanoy City Record-American.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. FENTON addressed the House. His remarks appear in the Appendix.]

TAXES ON TANGIBLE PERSONAL PROPERTY OF MEMBERS OF ARMED FORCES

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, today I have introduced a bill to make it again possible for States, counties, and municipalities to levy taxes on the tangible personal property of members of the armed forces residing within their borders.

By the Soldiers' and Sailors' Civil Relief Act men in service were deemed for tax purposes to retain their citizenship in their home States, and thereby were exempted from these local taxes if they were stationed or resident away from their homes. During the war, with the constant shifting of men, most of whom had been drafted, there was logical reason for granting such an exemption.

With the war over, at least in effect, and with our military forces shaking down pretty much into a peacetime routine, the reason for this exception is gone.

We are glad to have these members of our armed forces in our communities. However, since they use our schools, our streets, our utilities, our sanitation facilities, our courts, and have the protection of our law enforcement and fire departments, there is no valid reason why they should not now make their tax contribution for the support of these community services.

In many communities this tax item will be considerable, but, whether the amount of tax is large or small, it is one of the burdens and duties of citizenship that go hand in hand with the benefits received as residents of our communities.

In my own district this bill will affect two counties—Johnson, the site of the Olathe Naval Air Base, and Wyandotte, where Fairfax Airport is located.

Other Kansas communities will be affected, just as will many throughout the Nation where Army, Navy, and Air Force installations are situated.

EXTENSION OF REMARKS

Mr. MCGREGOR asked and was given permission to extend his remarks in the RECORD and include a newspaper article written by A. Wade Wells.

Mr. VELDE asked and was given permission to extend his remarks in the RECORD and include two excerpts from the editorial column of the Peoria Journal and Transcript of May 6, 1949, entitled "Starting Over" and "Who's a Communist?"

EXCISE TAXES

Mr. HAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HAND. Mr. Speaker, I suppose 90 percent of the people of this country are in favor of the reduction or elimination of many of our wartime excise taxes, the tax on travel, the tax on cosmetics, the tax on handbags, the tax on telephone calls, and the tax on telegraph messages. I suppose, further, that most of the Members of the House likewise favor that.

I call to the attention of the Members the situation which has occurred in Canada, which eliminated its excise tax on travel on March 21. Now all our citizens living along the border are going across the border for a 10-cent ferry ride and buying their travel tickets in Canada. This is certainly a ridiculous situation.

I saw in this morning's Washington Post that the distinguished chairman of the Committee on Ways and Means has come out in favor of the elimination of most of these excise taxes. They are an intolerable burden on most of our people. Since the chairman of the committee favors this move, what are we waiting for?

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Ohio.

Mr. JENKINS. If a Republican majority were in charge of this House at this time, we would have a bill before this Congress reducing excise taxes.

Mr. HAND. The gentleman states the position of the Republican Party correctly. The gentleman from Massachusetts [Mr. MARTIN] and many other Republicans including myself, have bills pending for this purpose and the bills have the approval of the Republican policy committee.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. HAND. I yield to the gentleman from Pennsylvania.

Mr. RICH. If a Republican administration were in power, we would have cut out a lot of these expenses.

PERMISSION TO ADDRESS THE HOUSE

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix.]

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 10 minutes today at the conclusion of the legislative program of the day and following any special orders heretofore entered.

SPAIN

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, American policy on Spain is now being pounded out by discussion in the American way. The Secretary of State is right that sending an ambassador to Spain in view of the United Nations General Assembly's resolution of December 1946 will be taken by western Europe, almost leveled by the Nazi and Fascist dictatorships which cradled the present Spanish regime, as

our willingness to make the Franco dictatorship an ally. Whether or not the western European countries would be justified in reaching this conclusion or not—they would so conclude. American policy should avoid the extremes of the right as much as the extremes of the left and should not be satisfied to let western Europe conclude that we will sacrifice expediency to principle in seeking allies against communism.

Spain needs free elections for a democratic form of government under the supervision of the United Nations which, if invited, will, as it has in other countries, afford such supervision, with adequate time for Spanish political parties to campaign, also under such supervision, so that the choice of the people of Spain may be really known. This is a feasible program and solution.

I refer to an article by Walter Lippmann appearing in the New York Herald Tribune today in his column Today and Tomorrow entitled "On Franco and Defeatism" which has been inserted in the Appendix, as showing clearly why our best national interest and the interests of democracy in the world require us to pursue the policy I have outlined.

Mr. BURLESON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURLESON. Mr. Speaker, following the gentleman from New York with whom I serve on the Foreign Affairs Committee, I hear him saying the same thing that has been said over and over again regarding the Franco government. It is the most subtle type of propaganda that we have ever witnessed in this country.

Mr. Speaker, on Tuesday of this week two of the most distinguished statesmen of this country had something to say regarding the reestablishment of diplomatic relations with Spain. It is gratifying to observe that these leaders, the Honorable TOM CONNALLY and the Honorable ARTHUR VANDENBERG, have spoken.

No one is defending Franco or approving his government. But we are coming to realize that we have 28,000,000 friends in the Spanish people and to say the very least, the same people dislike both Spain and the United States, out of which should come a much better understanding than we have at present.

By reason of the sentiment recently developed, Spain has been allowed to make a request for loans from the Export-Import Bank. However, the Secretary of State, for whom I have the greatest respect, has warned that she is a poor credit risk. Perhaps Spain is a poor credit risk but what country is not? I think I am correct in saying that Spain is the only nation in all of Europe which owes us nothing and yet we talk of her being a poor credit risk. Russia stole her gold and demoralized her people and yet she has been able to pay cash for much of her purchases.

Spain needs material which this country can sell—cotton from our surplus

supplies and other farm commodities, spindles for their mills and other equipment, aside from being the key to the whole Iberian Peninsula from the military standpoint.

I know something of the arguments made against the reestablishment and against cooperation with Spain. I do not like the governmental system in Spain and neither do I like some other systems with whom we cooperate in every respect, but I am not willing to cut off the nose of this country to spite its face and to appease those nations whose propaganda has had the effect of isolating us from the 28,000,000 people of Spain.

It is my hope that sentiment in this country will assert itself toward a reconsideration of our attitude toward Spain until the United States, independently and through the United Nations, will take the initiative to readjust our mistaken position.

The SPEAKER. The time of the gentleman from Texas has expired.

EXTENSION OF REMARKS

Mr. ASPINALL asked and was given permission to extend his remarks in the RECORD and include certain articles written by Harry Chrisman in the Delta County Independent, a weekly newspaper published in his district.

Mr. CHESNEY asked and was given permission to extend his remarks in the RECORD and include an article from the Chicago Junior Chamber of Commerce.

Mr. WAGNER asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Cincinnati Post on Spain.

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include a letter.

SUBCOMMITTEE NO. 4, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent, that Subcommittee No. 4 of the Committee on Interstate and Foreign Commerce may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF REMARKS

Mr. SADOWSKI asked and was given permission to extend his remarks in the RECORD in two instances and include some excerpts.

CIVIL AIR PATROL

Mr. McSWEENEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. McSWEENEY. Mr. Speaker, last night I, together with many of my colleagues, had the honor of attending a banquet given by the Civil Air Patrol. To me, it was a most inspiring occasion. There were young cadets present who are being inspired and taught to be better Americans by the officers of the CAP. Our Speaker made it possible for this meeting to be graced by the President who gave us a very inspiring, friendly

talk. I would like my colleagues to know that we were represented by the majority whip, the gentleman from Tennessee, Mr. PERCY PRIEST. I was proud as a Representative of the Congress to have him as our spokesman and I am sure that you would have been, too, had you been present. His timely reference to the lifting of the blockade by Russia, his reference to the gallant United States airmen who made the air lift such a success. His witty reference to himself as a private in the CAP and his hope that his speech might make him at least a corporal gave us all an inspiration and we were proud of him. If the generals will not raise him in grade from private to corporal, we his colleagues will be glad to make him even a general in the CAP. I gladly yield to my friend and my colleague, the gentleman from Ohio [Mr. McGREGOR].

Mr. McGREGOR. I gladly concur with my colleague the gentleman from Ohio, Mr. JOHN McSWEENEY, in his sentiments relative to the speech of the gentleman from Tennessee [Mr. PRIEST]. I was glad to meet with these upstanding young cadets who are being trained in better citizenship by these CAP officers.

Mr. McSWEENEY. I want to thank the gentleman from Ohio [Mr. McGREGOR] for his generous contribution. All of us as citizens should be grateful for the fine, unselfish, and inspiring service which these officers of the CAP are donating to America. I am proud that my nephew, Lt. Col. Joseph Woody, of Orlando, Fla., is one of those enthusiastic and devoted officers of the Civil Air Patrol.

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. JONES of Alabama asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FLOOD asked and was given permission to extend his remarks in the RECORD and include an editorial from the Wilkes-Barre (Pa.) Record.

THE BERLIN BLOCKADE

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, I have before me the New York Times for Thursday, May 12, today, and I read the headline which says, "Berlin land blockade lifted," and "First train and autos reach city from the west after a 328-day siege." Another headline: "The lights are turned on."

I have in mind also a summer day in 1914 as World War I began, when a British statesman, Lord Gray, said, looking out over London: "The lights are going out all over Europe tonight."

Let us hope the light of reason is lighted today all over the world.

So, Mr. Speaker, I express, today, this great tribute to American organization and a great tribute to the American armed forces during peacetime, an example of American fortitude, courage, and stick-to-itiveness exemplified by our Air Force and our armed forces in the

famous airlift over Berlin. This is one of the greatest examples of Americanism this country and the world has ever seen. The airlift is a sign big enough "so that he who runs may read." The Nation is proud of the people who made the airlift work.

Let us hope and pray that the warning is heeded—the example followed and that the diplomacy of reason brings us peace.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. FLOOD] has expired.

LIFTING OF THE BERLIN BLOCKADE

Mr. BATTLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BATTLE]?

There was no objection.

Mr. BATTLE. Mr. Speaker, the lifting of the Berlin blockade gives a big boost toward world peace and understanding. It is a great step forward. Today for the first time since June 26, 1948, Berlin traffic is on the move. Trains are running to and from the city. Highways are open, mail service is restored. It is a magnificent victory for democracy. And many of those dauntless heroes of "Operation Vittles" are coming home to receive a country's praise. They have done a great job, those airlift personnel. I saw them in action, flew with them to the Tempelhof Airfield in Berlin. It was amazing to see the precision and the planning and the courage that kept thousands of people alive with supplies brought in by air. Aided by the British and the French, all branches of American defense combined to make the airlift what is called the greatest peacetime achievement of American arms.

But we must not be complacent. Let us remember that this diplomatic victory is the direct result of the Marshall plan, the airlift, our strong counter blockade, and the Atlantic Pact; all costly and dangerous operations expressing our determination to resist world domination by Russia.

Stalin has been playing a game of chess, coolly and shrewdly, staking the peace of the world upon a gamble that we desired to avoid a war at any cost. While he may seem to be retreating in Europe, he may well be trying to use this as a cover-up for aggression in other areas. Russia is winning hands-down in China. Half of the population of the world is in that area. The final showdown of the cold war may very well be in China.

As a matter of fact, the peace is not yet won—either in Europe or the Orient. We must maintain our positive, firm, and fair foreign policy. We hope that Russia is ready to come into the family of nations as a friendly, peaceful participant, and we should encourage her to do so. However, until this is a reality and even after it becomes a reality, it is up to America to throw her whole weight and power behind the United Nations. We must spark the drive to make the UN a more powerful limited world organization capable of dealing effectively with

aggressor nations. Only then can we look forward to real peaceful international relations.

The SPEAKER. The time of the gentleman from Alabama has expired.

EXTENSION OF REMARKS

Mr. LYNCH (at the request of Mr. FORAND) was granted permission to extend his remarks in the RECORD and include an address.

APPOINTMENT OF AMBASSADOR TO SPAIN

Mr. GOSSETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. GOSSETT]?

There was no objection.

Mr. GOSSETT. Mr. Speaker, I wish to endorse and commend the remarks of my colleague the gentleman from Texas [Mr. BURLERSON] and to take issue with my distinguished friend the gentleman from New York [Mr. JAVITS] in the matter of sending an ambassador back to Madrid.

I notice in this morning's Post, Mr. Walter Lippmann, ordinarily a sound commentator, has criticized the action of some of our distinguished Senators in expressing dissatisfaction with our policy in Spain. He says it would be defeatism to now admit that we made a mistake in the first place. Since when is it defeatism for a great nation or a great individual to admit he was wrong and attempt to rectify that error?

One of the most stupid things in the world, to my mind, has been our withdrawal of an ambassador from Spain, which entailed their withdrawal of an ambassador from this country. True, we do not approve of totalitarianism or fascism, but we have refused to recognize and do business with perhaps the most stable government in Europe, and one which, my colleague points out, owes us not a penny.

The SPEAKER. The time of the gentleman from Texas [Mr. GOSSETT] has expired.

THE BERLIN AIRLIFT

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BRYSON. Mr. Speaker, the beleaguered city of Berlin is today released after a period of almost a year.

No feat in all history is greater than that accomplished by the Berlin airlifters. The courage and sacrificial service of those who carried on the airlift should be regarded as if in actual combat. Only those of us who were privileged to go in on the airlift can possibly appreciate the significance of the task. Everything necessary to sustain life for more than 2,000,000 people residing in the Allied sectors of Germany's great metropolitan capital city was carried through the air to Tempelhof Airdrome.

The cost for maintaining this gigantic undertaking exceeded \$1,000,000 a day. More than half a hundred gallant fliers lost their lives while on duty, but the venture was successful. Let us hope that the apparent change in the attitude of the Soviet Government will be followed in other matters to the end that soon the peace so dearly bought and constantly prayed for may come to this troubled earth.

DIPLOMATIC RELATIONS WITH SPAIN

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COX. Mr. Speaker, the failure to establish diplomatic relations with Spain is, in my judgment, equivalent to sinning against the peace and security of the world.

Mr. MCCORMACK. Will the gentleman yield?

Mr. COX. Gladly.

Mr. MCCORMACK. The primary question confronting every nation is its national interest and the taking of such steps as is in its national interest. Certainly, and particularly in the light of the existing world conditions, it is in the national interest of our country to renew full diplomatic relations with Spain. It is one of our next-door neighbors across the Atlantic; its government and its people are anticommunistic. Any questions to be solved between the two countries could be more easily solved with full diplomatic conditions existing than under the present undesirable situation.

I strongly feel that immediate renewal of diplomatic relations is in the national interest of our country and also will be a decided step in the direction of obtaining that which we seek, permanent peace.

NONSEGREGATION IN THE AIR FORCES

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, on yesterday Defense Secretary Johnson announced that he had deactivated the all-Negro Three Hundred Thirty-second Fighter Wing under his new policy of nonsegregation in the Air Forces.

Just whom does Mr. Johnson think he is helping through the destruction of these Negro units? Does he think that he is helping these Negroes by forcing them into white companies? Is he helping raise the morale of the Negroes themselves? Certainly not. Negroes the world over have pointed with justifiable pride to the achievements of their own companies in World War II. Does he think that the morale of those Negroes who are being separated from their own groups and forced into white units will be boosted when they find that they have no one with whom to associate?

Does this modern self-appointed Moses who promises to lead the Negroes out of the wilderness of their own society into the promised land of amalgamation honestly believe he is strengthening the national defense? Or is he dealing in cheap sordid politics? Does he consider himself better informed, intellectually superior, or better qualified to dictate military policies than Generals Pershing, Eisenhower, and Bradley, all of whom refused to succumb to such communistic pressure? Mr. Speaker, Secretary Johnson, through this abject surrender to selfish interests, might well have destroyed the fighting spirit of our great military machine. He is shooting craps with our national security.

General Eisenhower, one of the great military minds of all time, recognized the need for separation of the races in the armed forces, when he very frankly told a committee of the other body:

In general, the Negro is less well educated than his brother citizen who is white, and if you are going to make a complete amalgamation, what you are going to have is in every company the Negro is going to be relegated to minor jobs, and he is never going to get his promotion to such grades as technical sergeant, master sergeant, and so on, because the competition is too tough. If, on the other hand, he is in smaller units of his own, he can go up to that rate, and I believe that he is entitled to the chance to show his own wares.

At this time, when the need for military strength is greater than in our history, it ill behooves one in such a commanding position to deny to this people the benefit of knowledge gained through bloody years of experience.

PERMISSION TO ADDRESS THE HOUSE

Mr. CAVALCANTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. CAVALCANTE addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks entitled "Report on Private Bill Procedure." I am informed by the Public Printer it exceeds the limit established by the Joint Committee on Printing and will cost \$206.26. Notwithstanding this estimate I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding the excess, without objection, the extension may be made.

There was no objection.

Mr. WALTER asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. ANGELL asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each include a short article from the New York Times.

Mr. POULSON asked and was given permission to extend his remarks in the Appendix of the RECORD and include two

articles, one by Mrs. Eleanor Roosevelt on discrimination against the Indians, and another an article on the Colorado River.

TAXATION

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. I am surprised that more people have not taken the floor today to compliment the distinguished chairman of the House Committee on Ways and Means, as reported in the press this morning, for the forthright statement which he made to the President of the United States concerning the fiscal prospects of your country and mine. As was stated by the distinguished junior Senator from Illinois, Mr. DOUGLAS, on the floor of the Senate, there can be no question that we cannot under any circumstances permit a present increase in taxes. The only way to avoid it and to avoid the deficits that are in the offing as a result of the stupendous plan-spending programs of the Democratic administration is to cut our cloth so that our expenditures will be in line with our receipts.

I congratulate the distinguished chairman of the Committee on Ways and Means [Mr. DOUGHTON], and I congratulate the junior Senator from Illinois for their courageous stand that has been the position of the Republicans in this House for years.

EXTENSION OF REMARKS

Mr. RICH asked and was given permission to extend his remarks in the Appendix of the RECORD and include editorial comment from the Pittsburgh Press of May 8, 1949.

ECONOMY IN GOVERNMENT OPERATION

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I am very much interested in the statements that have been made here this morning about economy. It is a grand thing that we can get Members of Congress to get up here and talk about economy because that is what we need if we are going to save this country of ours from complete ruin and bankruptcy.

The people want less taxes and the only way to get less taxes is to stop spending. I hope, Mr. Speaker, in the brief time at my disposal that I may impress this indelibly upon the Members of Congress because they are responsible for the enormous amount of money that is being spent by the Government at the present time. The only way to stop this is to stop. Let us stop spending, stop taxing our people and look after America and do not assume the responsibilities of all the nations of the world.

EXTENSION OF REMARKS

Mr. COLE of New York (at the request of Mr. ARENDS) was given permission to extend his remarks in the RECORD and include a radio address delivered by Fulton Lewis.

PERMISSION TO ADDRESS THE HOUSE

Mr. SADLAK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks, and include a short editorial from the Hartford (Conn.) Courant entitled "Unemployment Statistics."

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

[Mr. SADLAK addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks in the RECORD and include two essays written by boys and girls in the high schools of her district on the importance of private enterprise in business.

CIVIL AIR PATROL

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, it was my pleasure in company with other Members of the Congress to attend the Civil Air Patrol dinner last evening. I sat beside a very fine young Massachusetts cadet sergeant who was here in advance of those who are coming in from Massachusetts on Sunday.

General Nolan, who was sitting at our table, said that he had seen our boys in action in India, Africa, and in Egypt—in fact all over the world—and that our boys can do anything they set out to do.

Mr. Speaker, I wish to join with other Members in rejoicing that the Air Force and the pilots of the air lift have been successful in breaking the blockade in Germany. Now materials and supplies can travel freely in and out of Berlin by train. The members of our air lift did a magnificent job for us at great sacrifice under difficult conditions. Those who have been in Germany during the winter know just what they did.

They never faltered. They performed a wonderful feat for the world.

EXTENSION OF REMARKS

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. McDONOUGH asked and was given permission to extend his remarks in the RECORD in two instances and include in each extraneous matter.

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. REES asked and was given permission to extend his remarks in the RECORD and include an address delivered

by Hon. Frank Carlson at the Interstate Oil Compact Commission, Jacksonville, Fla.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD.

Mr. PHILBIN asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the distinguished Speaker of the House, the gentleman from Texas [Mr. RAYBURN] may extend his remarks in the RECORD and include an article written by former Secretary of War Robert Patterson in reference to General Clay.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

SOUTH DAKOTA'S DUCKS AND PHEASANTS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, South Dakota, I guess, has more ring-necked pheasants than any State in the Union. If someone has figures to the contrary, I may not quarrel with him but I want to make the point we have lots of the birds and we like to have visitors come and hunt them in accord with the laws of the State.

And they do come. In 1946, South Dakota sold 86,147 nonresident hunting licenses. That 86,147 compares with 1,676 sold in Minnesota the same year—or 958 in Oklahoma; that is, nonresident hunting licenses.

We have had and do have more pheasants than anybody else. But we do not have more ducks. We do not have the ducks which Minnesota has. And when you turn all the nonresident pheasant hunters loose on our ducks—well, there just are not enough ducks to stand it. So the South Dakota Legislature has forbid selling licenses for nonresidents to hunt ducks for a while.

That has offended some of our Minnesota brethren and they have introduced a rash of bills to deny Pittman-Robertson allotments to South Dakota. Now, laying aside the question of the great amount of shotgun shell taxes that South Dakota sends to the Pittman-Robertson fund, I venture to suggest that South Dakota should be permitted to protect her limited duck population, as she sees fit. Once the right of any State to protect the game of its State is denied or modified, there could be no limit to which the rights of any State to its game could be curtailed. State ownership of the wild game within its borders is well established in law and precedent.

Moreover, since we do invite the world to hunt our abundant pheasants, do you not think we should be permitted to protect our ducks until we can get them built up, too?

CHINA

Mr. HALE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HALE. Mr. Speaker, we had a congressional investigation into all the causes and circumstances of the disaster at Pearl Harbor. Shall we be indifferent to the causes and circumstances of the much greater disaster in China?

The State Department, which is waiting for the dust to settle in China, evidently considers that its present supply of dust is adequate to throw in the eyes of the Congress.

A few men never elected to office have decided to render futile the sacrifice of 200,000 American youths killed and wounded in the Pacific—a sacrifice made because we were, as we had been for a hundred years, determined that for our own security China should remain free and independent. In the face of the State Department's obstinate attachment to the cause of people who have proclaimed themselves committed to destroying us, shall Congress remain supine?

COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that the Committee on Expenditures in the Executive Departments be permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE ON PUBLIC LANDS

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands be permitted to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

ISRAEL ADMITTED TO UNITED NATIONS

Mr. KLEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KLEIN. Mr. Speaker, I rise to offer my sincere and grateful congratulations to the President of the United States, to the many officials of the Department of State who contributed their skill and energy, and especially to the Secretary, the Honorable Dean Acheson, and to our United States representative to the United Nations, former Senator Warren Austin, for their brilliant work in formulating the preliminary strategy which resulted in an overwhelming vote yesterday at Lake Success for the admittance of the Republic of Israel to the United Nations.

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My only regret is that this just and meritorious recognition of the independence, sovereignty, and stability of the newest—and oldest—of the world's democracies has been so long delayed.

The world will rejoice that Israel has been accepted as the fifty-ninth of the United Nations; and the Republic of Israel will prove its gratitude for this first birthday gift from the world at large by proving its responsibility and maturity in internal administration and international cooperation and cordiality.

Mr. Speaker, the United States has lived up to its pledges. American honor is vindicated.

EXTENSION OF REMARKS

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include two letters.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an editorial by Thomas L. Stokes appearing in the Buffalo Evening News.

Mrs. DOUGLAS asked and was given permission to extend her remarks in the RECORD and include an article by Walter Lippmann on Spain.

SPAIN

Mrs. DOUGLAS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from California?

There was no objection.

Mrs. DOUGLAS. Mr. Speaker, I rise at this time to support the gentleman from New York [Mr. JAVITS] in the statement he made regarding Spain. I have just been granted permission to include in the RECORD an article by Mr. Walter Lippmann which was referred to here by the distinguished gentleman from Texas. However, he referred to only a part of what Mr. Lippmann said. I am sure the Members will be interested in reading all of Mr. Lippmann's article. I myself, as a member of the Committee on Foreign Affairs, found it to be very thoughtful, and very accurate, with valid conclusions. I believe our position in regard to Spain is sound and the only tenable one at this time.

CONGRESSIONAL BASEBALL GAME

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, while we are wrestling with the important problems of the world and of the Nation, I rise to announce that the traditional baseball game between the Democrats and Republicans will be played on June 3.

Mr. RANKIN. That will be very devastating for the Republicans. That is Jefferson Davis' birthday.

Mr. HARRIS. In the absence of the High Commissioner of the Democratic baseball team, the gentleman from South Carolina [Mr. RICHARDS], I am author-

ized to announce that the Democratic members of the baseball team will meet this afternoon at 4 o'clock at Central High School, which is at Thirteenth and Florida Avenue.

As we all know, this traditional game started many years ago. The gentleman from Michigan [Mr. WOODRUFF] told me this morning that he played on the team in 1913 or 1914.

The game this year will be for the benefit of the underprivileged children of the District of Columbia. There are not going to be any holds barred, I understand. The only positions assured so far on our side, I am authorized to state, are those of the Chief Justice of the United States, Hon. Fred Vinson, and our very fine and lovable Speaker of the House, Hon. SAM RAYBURN.

The only controversy that has really developed at this point, and it is a real one, yet to be resolved, is, who is going to be the home team this year? I think since we are in the majority we will probably win out in the long run.

I thank the Members of the House on the Democratic side for the interest they have shown and the interest I know they will manifest in helping to give the Republicans another lashing, as we did last year.

EXTENSION OF REMARKS

Mr. BIEMILLER asked and was given permission to extend his remarks in the RECORD and include certain newspaper articles and radio speeches.

Mr. IRVING asked and was given permission to extend his remarks in the RECORD and include a short newspaper article on the Hoover report.

THE BERLIN BLOCKADE

Mr. LODGE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. LODGE. Mr. Speaker, the lifting of the Berlin blockade is certainly something for us to be thankful for. It is a tribute to American and British perseverance. There is no question that the Communists in Berlin have received a set-back. Their number is reported to have diminished to 6 percent. We can properly regard the end of the blockade as a welcome expression of our logistics ability, of our industrial power and of the bravery and skill of our airmen. Several of them tragically and gallantly gave their lives in this great endeavor.

But let us not be overoptimistic. This is not a diplomatic victory. The United States Air Force has temporarily saved us from a deep dilemma of our own diplomatic making. We must have a plan. We must know where we are going. What happens now? As Constantine Brown says:

Moscow now is smiling broadly at the United States. That this is not a sincere smile is apparent to most policy makers in Washington and other western capitals.

It is interesting to note that the Kremlin made advances with respect to Berlin

at the time that the Nationalist forces in China were in full retreat. In the face of our disastrous defeat in China let us look at the Berlin situation with a steady and penetrating eye. Due to the Communist victories in China, Russia now can offer the Germans the great markets of the Far East. This can prove to be a powerful inducement toward cooperation with the Soviets. Nor is Russian dominance in the Far East the only implication of the end of the Berlin blockade. It is quite likely that the Russians will soon suggest that all troops be withdrawn from Germany, their's a short distance behind the German borders, ours a distance of some 4,000 miles. While it is unthinkable that we shall accept such a suggestion, it could create for us some very real embarrassments.

Therefore, while we should be grateful for the splendid courage and ability of the United States Air Force and for the steadfastness of our British friends, we should, I think, be most skeptical with respect to all the implications of this event.

The SPEAKER. The time of the gentleman from Connecticut has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. FULTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. FULTON addressed the House. His remarks appear in the Appendix.]

CONGRESSIONAL BASEBALL GAME

Mr. BISHOP. Mr. Speaker, I ask unanimous consent to address the House for 1 minute on the subject of baseball.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BISHOP. Mr. Speaker, I heard the newly appointed manager of the Democratic baseball team make some mighty fine remarks about his team. I want to tell my colleagues that, as a result of the game last year, the freshman fund for the kids of the District of Columbia received about \$6,000. We hope to raise \$10,000 this year. The tickets will be sold by the chief pages and handled by the doorkeepers. The Republicans will start their practice on Monday, May 16, after the House adjourns for the day, at Eastern High School athletic field. We invite Members of the Senate and the House of Representatives to participate.

SPAIN

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS. Mr. Speaker, I noted yesterday that the Secretary of State has refused to recognize Spain. Among other things he gave as a reason for his refusal to consider it, the habeas corpus as another of the various reasons for his re-

fusal. I think it is a serious mistake at this time not to make some effort to recognize the existence of the present Government of Spain.

Our national interest demands it. If we should follow the reasoning outlined by the Secretary of State, we could not consistently keep any of our diplomatic officers in Russia or anywhere behind the iron curtain. I think it is absolute stupidity not to recognize the existence of conditions, and at the very earliest opportunity to try to bring about official recognition of Spain as it exists today.

The SPEAKER. The time of the gentleman from South Carolina [Mr. RIVERS] has expired.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

Mr. RICH. Mr. Speaker, reserving the right to object, I would like to ask the majority leader a question. I heard on the radio that we were going to get a labor bill before the House.

Mr. McCORMACK. I am not responsible for what the gentleman or anybody else hears on the radio. I can assure the gentleman that there is no labor legislation programed for next week.

Mr. RICH. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

RECOGNITION OF SPAIN

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. Mr. Speaker, we have heard attacks on Spain this morning, and we have heard voices in defense of Spain. I remember when the Communists were overrunning Spain, many years ago, Franco had a brother in this country who gave out a statement about what the Communists were doing to the people of Spain. It was one of the most horrible pictures I had ever read up to that time.

Franco took the lead, fought the Communists and drove them out of Spain. It is true that Germany helped Franco. It is true that Italy did also. But do not forget that Great Britain did also; and after we got into the war Spain refused to join our enemies, and by remaining neutral she kept them from overrunning Spain and closing the Mediterranean.

Now, let us be honest. There is no reason on earth why we should recognize these Communist and near-Communist countries and refuse to recognize anti-Communist Spain.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

EXTENSION OF REMARKS

Mr. COLE of Kansas asked and was granted permission to extend his remarks in the RECORD and include a resolution.

Mr. BUCKLEY of Illinois asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

GULF STATES MARINE FISHERIES COMPACT

Mr. THOMPSON. Mr. Speaker, I call up the conference report on Senate Joint Resolution 42, and I ask unanimous consent that the statement be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMPSON]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 42) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf Coast and creating the Gulf States Marine Fisheries Commission, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

The amendment is as follows:

Page 6, line 16, after the word "limit", insert "or add to".

SCHUYLER OTIS BLAND,
CLARK W. THOMPSON,
ALVIN F. WEICHEL,
VICTOR WICKERSHAM,
THOR C. TOLLEFSON,

Managers on the Part of the House.

LYNDON B. JOHNSON,
HERBERT R. O'CONNOR,
OWEN BREWSTER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 42) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf Coast and creating the Gulf States Marine Fisheries Commission, submits the following statement which was agreed upon by the conferees and recommended in the accompanying conference report:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

The House amendment is as follows:

On page 6, line 16, after the word "limit", insert "or add to".

SCHUYLER OTIS BLAND,
CLARK W. THOMPSON,
ALVIN F. WEICHEL,
VICTOR WICKERSHAM,
THOR C. TOLLEFSON,

Managers on the Part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. THOMPSON. Mr. Speaker, I have no requests for time on this side, and I understand there is none on the other side. The Senate is in the position of having agreed to the bill that was passed by the House. I presume it is agreeable to everybody. However, I have no desire to shut off any questions, if there are any.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks in the RECORD at this point on the conference report just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas? There was no objection.

MRS. JULIA BALINT

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 679) to authorize the admission of Mrs. Julia Balint to the United States, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That for the purposes of the immigration and naturalization laws, Mrs. Julia Balint, who would be entitled to non-quota immigration status but for the death or disappearance of her United States citizen husband, shall, if otherwise admissible to the United States under the immigration laws, be deemed to be a nonquota immigrant."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the difference between our bill and the Senate bill?

Mr. WALTER. There is no difference. The Senate changed the language, but this bill, and another one which will be called up immediately after this is disposed of, accomplish the same thing as the House bill.

Mr. MARTIN of Massachusetts. Well, what was the change?

Mr. WALTER. The change was that whereas in the House bill we authorized the admission of a Czech woman who was the wife of an American citizen who disappeared in Czechoslovakia, the Senate amended the language so that it appears as though she were now an American citizen.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

THEODORE PAPACHRISTOPOULOS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2360) for the relief of Theodore Papachristopoulos,

with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the bill and the Senate amendment as follows:

Strike out all after the enacting clause and insert "That for the purposes of the immigration and naturalization laws, Theodore Papachristopoulos shall be considered to be the natural-born son of his stepfather, Roland Stanger, a citizen of the United States."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

DORIS BATEY COX

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 195) for the relief of Doris Batey Cox (Rept. No. 571), and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Doris Batey Cox, widow of Lamar P. Cox, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate he was receiving at the time of his death and an additional amount not to exceed \$250 toward defraying the funeral expenses of said Lamar P. Cox.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MRS. MARY LEIMGRUBER

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 194) for the relief of Mrs. Mary Leimgruber (Rept. No. 572), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be paid out of the contingent fund of the House to Mrs. Mary Leimgruber, mother of Marie Elizabeth Leimgruber, late an employee of the House of Representatives, an amount equal to 6 months' salary at the rate she was receiving at the time of her death and an additional amount not to exceed \$250 toward defraying the funeral expenses of said Marie Elizabeth Leimgruber.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I offer a privileged resolution (H. Res. 115) providing for the expenses incurred by House Resolution 114 (Rept. No. 573), and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the expenses of conducting the studies and investigations authorized by House Resolution 114, Eighty-first Congress, incurred by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed \$25,000, including expenditures for printing and binding, employment of such experts, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House

on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

Sec. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 5, strike out the words "printing and binding."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MEMORIAL DAY, MAY 25, 1949

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 186) providing for holding memorial services on Wednesday, May 25, 1949 (Rept. No. 574), and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That on Wednesday, the 25th day of May 1949, immediately after the approval of the Journal, the House shall stand at recess for the purpose of holding the memorial services as arranged by the Committee on House Administration under the provisions of clause (1) (j) (2) of rule XI of the Rules of the House of Representatives. The order of exercises and proceedings of the service shall be printed in the CONGRESSIONAL RECORD, and all Members shall have leave for 60 legislative days to extend their remarks in the CONGRESSIONAL RECORD on the life, character, and public service of deceased Members. At the conclusion of the proceedings, the Speaker shall call the House to order and then as a further mark of respect to the memories of the deceased he shall declare the House adjourned. The necessary expenses connected with such memorial services shall be paid out of the contingent fund of the House upon vouchers signed by the chairman of the Committee on House Administration and approved by such committee.

With the following committee amendment:

Page 1, line 6, strike out "2" and insert "(c)."

The amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

UNFINISHED PORTION OF THE HISTORICAL FRIEZE IN THE ROTUNDA OF THE CAPITOL

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration I submit House Joint Resolution 21 and ask for its immediate consideration.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the Joint Committee on the Library is authorized and directed to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation in the United States. For that purpose the joint committee shall select a design which appropriately depicts such story, including the portrayal of the all-important achievements of Wilbur Wright and Orville Wright, and shall employ such artists as may demonstrate to the satisfaction of the

joint committee their ability to perform the work in a proper manner.

Sec. 2. There is hereby authorized to be appropriated, the sum of \$20,000, or so much thereof as may be necessary, to carry out the purposes of this joint resolution.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mrs. NORTON. Mr. Speaker, by direction of the Committee on House Administration, I submit House Resolution 156 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies and investigations authorized by House Resolution 137, Eighty-first Congress, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed \$50,000 additional, including expenditures for the employment of such experts, clerical, stenographic, special counsel, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee, signed by the chairman thereof, and approved by the Committee on House Administration.

With the following committee amendments:

Page 1, line 1, strike out "further."

Page 1, line 5, strike out "\$50,000 additional" and insert "\$30,000."

The committee amendments were agreed to.

The joint resolution was agreed to.

A motion to reconsider was laid on the table.

TELEPHONE AND TELEGRAPHIC SERVICE AND CLERK HIRE FOR MEMBERS OF THE HOUSE OF REPRESENTATIVES

Mrs. NORTON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4583) relating to telephone and telegraph service and clerk hire for Members of the House of Representatives.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for each fiscal year beginning with the fiscal year ending June 30, 1950, in the case of each Member of the House of Representatives, there shall be paid from the contingent fund of the House of Representatives, subject to the limitation provided in section 2, the following charges:

(a) Charges on long-distance telephone calls (1) originating in the Member's office in the District of Columbia, or (2) originating outside the District of Columbia but made by the Member to his office in the District of Columbia, and on which the charges have been reversed; and

(b) Charges on telegrams sent by or on behalf of the Member from the District of Columbia or on telegrams sent collect from outside the District of Columbia by the Member to his office in the District of Columbia.

Sec. 2. In the case of any Member of the House of Representatives other than the Speaker, the majority leader, the minority leader, the majority whip, and the minority whip, the aggregate amount of the charges

which may be so paid from the contingent fund for any fiscal year shall not exceed \$500.

Sec. 3. After June 30, 1949, no telegrams shall be charged to the official business of the House of Representatives by any Member.

Sec. 4. Effective July 1, 1949, the clerk hire of each Member of the House of Representatives shall be at the rate of \$12,000 per annum. No person shall receive basic compensation from such clerk hire at a rate in excess of \$5,000 per annum.

Sec. 5. The last sentence of section 501 of the Federal Employees Pay Act of 1945, as amended, is hereby amended by inserting after the word "now" the words "or hereafter."

Sec. 6. As used in this act, the term "Member" or "Member of the House of Representatives" includes a Representative in Congress, a Delegate from a Territory, and the Resident Commissioner from Puerto Rico.

With the following committee amendments:

Page 2, lines 1 and 2, strike out the words "and on which the charges have been reversed" and insert in lieu thereof a comma and the following: "to any department, agency, or office of the Federal Government or of the government of the District of Columbia, or to any department, agency, or office of the government of any State or of any political subdivision of a State."

Page 2, line 6, before the period insert a comma and the following: "to any department, agency, or office of the Federal Government or of the government of the District of Columbia, or to any department, agency, or office of the government of any State or of any political subdivision of a State."

Page 2, line 18, strike out "\$12,000" and insert "\$12,500" in lieu thereof.

Page 2, line 25, before the word "the" insert "(a)" and on page 3, line 3, before the period insert a semicolon and the following: "and (b) the term 'State' includes the several States, the Territories, and Puerto Rico."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES PARTICIPATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 178)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed with illustrations:

To the Congress of the United States:

The accompanying report on the participation of the United States in the United Nations for 1948 is transmitted to the Congress on the recommendation of the Secretary of State.

The report has my approval.

At this stage in the life of the United Nations it is appropriate to say a word about the Charter and the Organization. The Charter is at once a statement of objectives and a guide to action. It proclaims the objectives of preventing future wars, of settling international disputes by peaceful means and in conformity with principles of justice, of promoting world-wide progress and better standards of living, of achieving universal respect for and observance of fundamental human rights and funda-

mental freedoms, and of removing the economic and social causes of international conflict and unrest.

These objectives are well stated in the Charter itself. We subscribed to them at the time we signed the Charter. We are firm in our resolution to work for these objectives.

The Charter is a guide to action. While this is so for all members, it is particularly so for those enjoying the "right of veto." There is a greater obligation on these five powers than on the other members to conduct themselves in accord with the principles of the Charter. They must "settle their international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered." Equally, they must "refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations." Fulfillment of these obligations means the exercise of national self-restraint in international relations. Along with other Charter obligations they place limits on our freedom of action. But these limits are self-imposed, because we signed the Charter without reservation. During 1948 we have continued to recognize these Charter obligations as restrictions upon our conduct. We will continue so to recognize them. And we have a right to expect other members of the United Nations to act similarly, for the Charter is a pledge of good faith exchanged by each member with all the others.

I recommend the accompanying report to the attention of the Congress. The nature of our participation and the many different ways in which it is manifested may come as a surprise to many members. But it will not be an unpleasant surprise. We have taken the leadership in many fields of international relations. We can be proud of what we have done. If the United Nations as a security organization has disappointed us, as the Secretary of State notes, and if we have had to take supplemental measures to meet actual or potential threats to our security, it is not because the United States has not put forth real efforts to develop the United Nations to its full stature. The world today is not the world we had hoped for when the San Francisco Conference adjourned less than 4 years ago.

The United States supports the United Nations in all respects. The following pages tell how that was done in 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, May 12, 1949.

FILING OF MINORITY REPORT

Mr. JACKSON of California. Mr. Speaker, I ask unanimous consent that I might have until midnight tomorrow night to file a minority report on the bill H. R. 2785, the international emergency children's fund, to accompany House Report 569.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REORGANIZATION OF THE DEPARTMENT
OF STATE

Mr. SABATH. Mr. Speaker, I call up House Resolution 203 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution, notwithstanding any rule of the House to the contrary, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3559) to strengthen and improve the organization and administration of the Department of State, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto for final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, this resolution makes in order the consideration of the bill H. R. 3559, a similar bill having already been acted upon favorably by the other body.

It aims to strengthen and improve the administration of the Department of State, which improvement I feel it can stand. The rule provides for 2 hours general debate, after which the bill will be considered under the 5-minute rule.

The bill provides for an Under Secretary of State and 10 Assistant Secretaries of State added to the Department of State. These Secretaries shall be appointed by the President by and with the approval of the Senate. A counselor of the Department of State and a legal adviser are also to be appointed by the President and confirmed by the Senate, with rank comparable to the 10 Assistant Secretaries. In view of the expansion of the duties of the State Department, I feel this bill is absolutely necessary.

This morning on the floor of the House I heard some gentlemen from Texas, Mississippi, and one or two other gentlemen from the South, criticize the Secretary for his position relative to Spain and our so-called great friend, Franco! I cannot quite understand why these gentlemen continue to advocate the extension of our friendly hand, aid, and assistance to Spain, Argentina, and to other enemies who fought and bled us during the last World War. They are ready to punish those who fought with us, but they desire to reward our enemies. To that extent they have and are trying to aid Japan, a country that has been so "kindly" to the United States as witnessed by a sneak attack on Pearl Harbor in 1941 while at the same time their special emissaries were assuring us of their great friendship, all make for inconsistency. The same thing applies to the solicitude on the part of these gentlemen for the Nazis who also have been so "friendly" to us. I cannot quite under-

stand the philosophy or the underlying reasons of some of these gentlemen. I have a feeling however which I hesitate to express as to their underlying motives.

Personally, I have disagreed with Mr. Acheson heretofore because I thought that due to his continuous conferences with former President Hoover, before he was made Secretary of State, he would follow the advice of Mr. Hoover's adviser, Mr. John Foster Dulles. This latter gentleman, in conjunction with the representatives of the banking institutions of New York, particularly Dillon, Read & Co., and others who have been continuously aiding Germany and rebuilding the Farben cartels, are robbing and imposing a tax on every American of from \$1 to \$10 a year on hundreds of different articles because of the combines and agreements that these Nazis have with American manufacturers who work in conjunction with them under secret agreements.

I read some weeks ago that some representatives of the oil and steel companies and other corporations went over to Germany to advise the Farben and Krupp interests on how to produce more and more. This was the Humphrey Committee. They did this in conjunction with the shrewd, conniving diplomats who unfortunately have wielded a great deal of influence in our State Department, and I hope such practices will be put to an end.

Mr. Speaker, I think that at this point, we should congratulate our President on his accomplishment in ridding the State Department of men who have been placed there by the banking and industrial interests. These men are former Secretary of Defense Forrestal, former president of Dillon, Read & Co.; William H. Draper, Jr., former vice president of Dillon, Read & Co., and former Under Secretary of the Army; Paul Nitze, former vice president of Dillon, Read & Co. and now deputy director of the International Trade Policy of the United States, who has yet to be replaced; mention must also be made of Phillip Hawkins, who is Draper's son-in-law and who has been playing a prominent role in the military government in Germany for the past 3½ years. These men were all carrying out a policy of rebuilding German cartels and German war potential, and at the same time seeing to it that no harm is done to these friendly interests who not only started the war, but gave us Hitler, killed 300,000 men, maimed and wounded nearly a million men, women, and children, to say nothing about the cost to our country of nearly \$300,000,000,000. This will take years and years and generations of taxpayers to pay off this amount. This also necessitated borrowing from the American people in addition to an increase in taxes, by the sale and purchase of bonds—\$252,000,000,000 still unpaid. Nevertheless, these men in our State Department have been working to return to Germany all of the production of her plants and factories that have been used against us heretofore, and I fear, will be utilized in the near future once again for a third world war. The reports of many outstanding representatives, including

some of our sincere generals who actually led our forces against the Nazi plunder and murder band, are in one accord that the Germans have not as yet learned their lesson—that they are preparing for a third world war against us. All this in order to show us how superior a race they are and what they will do to America, who brought about their defeat.

Taking everything into consideration, I feel that the strengthening and improving of the State Department as proposed in this bill is in order. I hope Secretary Acheson will not be controlled by the group which the bankers imposed on the State Department heretofore. Of course they will say, "Well, it is a Democratic administration." Yes, I concede that. But unfortunately for the State Department and for our country, these men were injected and forced into our State Department by the Republican Secretary Stimson and the Republican Secretary of the Navy Knox. These two Republican gentlemen have selected these men, and they have found their places of importance in the Army and the Navy finally penetrating the Department of State. You know that that is so. I hope in the future the President will continue to safeguard and protect our Nation against our enemies and that he will not tolerate any man in the State Department or any other department, who is not a loyal, 100-percent American. Charges have been made from time to time that the State Department harbors many Communists. If they are guilty of harboring any Communists, by the eternal heavens, I feel that those responsible for harboring them should be removed from that Department. But on the other hand, I feel, and I believe from the information that I have, that we have a great many men in the State Department—or we did have, at least—who are not Communists—and I know they do not like the name, except I cannot name them otherwise—but if anything, they do believe and carry out the policies of the Fascists. As gentlemen of greater ability have stated frequently, the capitalist group who are seeking more power and more wealth are inclined to be in favor of fascism, the same as they were under Hitler and in Japan and as regards Franco and Argentina and other countries, and this cannot be denied, as witnessed by the statement made recently by His Holiness, the Pope.

Mr. Speaker, I feel that these new men who will be appointed by our President will have only the best interests of the country at heart and will not be subservient or be controlled by the shrewd and conniving expert British diplomats, who, I cannot help but believe, fit into the definition that a "diplomat" is one who says no when he means yes, and says yes when he means no. Nor will they be subservient to the representatives of the Wall Street lawyers and banking houses who have been and are connected with the unscrupulous, avaricious, I. G. Farben and other international cartels and monopolies.

All this will be extremely necessary, for only this morning I read an article

dispatched from Reuters which I am inserting herewith and which speaks for itself—*res ipsa loquitur*:

PLAN SUIT TO GET BACK PROPERTIES OF TWO IMPRISONED NAZIS

FRANKFURT, GERMANY, May 10.—A suit for the recovery of more than \$1,000,000,000 worth of confiscated industrial property will be filed on behalf of the imprisoned German industrialists, Friedrich Flick and Alfred Krupp, in a Washington court.

The suit, to be filed by three American attorneys, will seek recovery of the industrial property of the former steel and arms kings confiscated by the military government and the Nuernberg war crimes tribunal.

Earl J. Carroll, San Francisco lawyer, said today the petition would be based partly on arguments that the confiscation orders were illegal and that the Krupp assets still legally belong to Alfred Krupp's mother. Flick was sentenced to 7 years imprisonment and Krupp to 12.

I feel that this is only the beginning of similar action on the part of other Nazi industrialists to follow in mulcting the American people out of millions, yes, billions of dollars.

I ask unanimous consent to revise and extend my remarks and include therein an article, Mr. Speaker.

The SPEAKER pro tempore (Mr. PRIEST). Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

Mr. SABATH. I now yield 30 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use, and I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield briefly.

Mr. HOFFMAN of Michigan. I wanted to ask the gentleman from Illinois [Mr. SABATH] a question. I have heard the gentleman speak a great many times on the floor about Fascists, and today the gentleman again repeated the statement that there were Fascists in the State Department. Your party has been in control for something like 17 years. Why do you not name some of those Fascists so the President can get them out?

Mr. SABATH. I have named them the last time to you. I will put their names in my remarks.

Mr. BROWN of Ohio. Mr. Speaker, I do not yield further. I will be interested in reading that report in the RECORD.

Mr. HOFFMAN of Michigan. Will you also be interested in the State Department getting them out?

Mr. BROWN of Ohio. I cannot speak for the gentleman.

Mr. Speaker, I have listened with a great deal of interest to my distinguished chairman, the gentleman from Illinois [Mr. SABATH]. I have followed his address in the House as best I could. I must be very frank and say to the membership that I am not certain I understood just exactly that which he said, but if I got the purport of most of

his talk, it was not directed toward the resolution that is before the House, but, instead, seemed to be a rather poorly veiled attack on several great Americans. There was certainly an insinuation, if nothing else—and I regret the gentleman made it in his remarks—that General Clay has not done a good job in Germany. Certainly there was in the gentleman's remarks a repetition of much of the propaganda that I have read in the Communist press, and that I have heard reported from Moscow, as to the establishment of cartels, and the failure of General Clay and others to do their duty as good Americans in occupied Germany.

I am sure that most thinking Americans know that all of those charges have been investigated and have been proven to be without foundation, and that every American official commission, congressional and otherwise, who has looked into the administration of General Clay in Germany, has reported back that those charges which have been so loudly and so blatantly made by Communist commentators and the Communist press against General Clay and other American officials are absolutely untrue and unfounded, and not based on fact.

Then there was seemingly included in the gentleman's remarks an almost direct attack on another great American, John Foster Dulles. Of course, John Foster Dulles belongs to a political party different from that of the gentleman from Illinois. I can go this far with the gentleman from Illinois; that I have not always agreed with everything that John Foster Dulles has done in a political way, even within my own party. However, I do not believe that any reasonable person can question the patriotism of John Foster Dulles or can have anything but praise for the great service which he has rendered to America and to all humanity at the request of the President.

Mr. KEEFE. And is still rendering.

Mr. BROWN of Ohio. Yes; a service he is rendering in a nonpartisan, non-political position as one of the American delegates to the United Nations.

Mr. KEEFE. Appointed by the President.

Mr. BROWN of Ohio. Yes; he is now a representative of the United States in the United Nations, appointed, of course, as the gentleman from Wisconsin has well said, by the President of the United States. I hope that in the consideration of important legislation such as this we shall not devote our time to carping little criticisms that will injure the great objective we have in view.

I respect and have great affection for the gentleman from Illinois, but I regret he saw fit to use this particular measure as the vehicle for an attack on a number of fine Americans, and I hope that when he revises his remarks he will be very careful that he does not give any comfort to the enemy by what he said here today.

Mr. Speaker, House Resolution 203 makes in order the consideration of H. R. 3559. It allows 2 hours of general debate and amendment under the 5-minute rule. This is a bill introduced by the chairman of the Committee on Foreign

Affairs of the House, the gentleman from West Virginia [Mr. KEE], and has been reported by the Committee on Foreign Affairs. Its purpose is to make possible the carrying out of recommendations of the Commission on the Reorganization of the Executive Branch of the Government, better known, as the Hoover Commission, for the reorganization of the Department of State. I understand—and I hope to be corrected if I am wrong—that the bill was reported unanimously by the Committee on Foreign Affairs. I am very happy to be able to advise to the House there was no partisanship displayed in any way in the consideration of this measure by the Committee on Foreign Affairs.

As a member of the Commission on the Reorganization of the Executive Branch of the Government I am very much pleased by the prompt way in which the Committee on Foreign Affairs has taken action on this matter. Digressing for a moment, may I add that the gentleman from California [Mr. HOLFIELD], chairman of the Subcommittee of the Committee on Expenditures in the Executive Departments, reported to me this morning that his committee would be ready within a few days with a bill which will reorganize the procurement activities and the general services of the Government in line with the recommendations of our Commission. To know that the House at least is moving along rapidly in a legislative way for the reorganization of this Government so as to bring about greater economy and efficiency in the conduct of public business, is indeed encouraging.

What does this bill do? It does not, of course, reorganize the State Department, but it does set up certain legislative machinery and does confer certain authority which will permit and make possible the reorganization of the State Department as recommended by the Commission. One of the members of the Commission on Reorganization of the executive branch of the Government is now the Secretary of State, Mr. Dean Acheson. At the time he was appointed he was not in the Government. Mr. Acheson, who had formerly been the Under Secretary of State, brought to the Commission a great deal of detailed information as to the organizational needs of the State Department, then, too we had the assistance of a great task force which made a study of the Department of State, and gave us the benefit of their suggestions.

I feel, and certainly hope, that under the Secretaryship of Mr. Acheson there will be a real reorganization of the State Department. If that reorganization does not come it will not be the fault of the Congress of the United States or of the Committee on Foreign Affairs, which has reported this pending legislation.

What does this bill do? First of all, it reenacts certain provisions of law and expands by four the number of under secretaries and assistant secretaries which the State Department may have. That is done in order to establish a clear line of command from the President down through the Secretary of State to the various divisions of the State Depart-

ment so that the American people and the Congress of the United States can, first of all, hold the President responsible for the conduct of foreign affairs. He in turn can hold the Secretary of State responsible for carrying out his policies, and in turn the Secretary of State, through his division heads, can fix responsibility down to the lowest individual in his department.

Some things have been said on this floor by the gentleman from Illinois to the effect that there is a great need for reorganization of the State Department from several angles. I agree with the gentleman in this particular, and I love to agree with him when he is right. It is time we clean out of the State Department all individuals, regardless of their political philosophy, who are not loyal to the United States of America. So I want to thank the gentleman for that particular comment which he made in his speech.

Under the provisions of this bill, the Department would have one Under Secretary. It has one now, as far as that is concerned. It would have 10 Assistant Secretaries of State. Two of these assistants could be designated by the Secretary of State to serve as Assistant Under Secretaries. The bill goes further, however, and gives the Secretary of State clear and definite power and authority, by amending the Foreign Service Act, to reorganize not only the State Department, but also the Foreign Service, and to consolidate and coordinate the work and efforts of both. It gives the Secretary complete power to direct and control the activities of the Foreign Service of the United States. For a good many years there has been some discussion as to how closely the State Department itself and the Foreign Service worked together on many of our important international and foreign-policy problems. So I say to you that this is a step in the right direction. However, I wish to emphasize again that this proposed law simply confers authority and makes it possible for the State Department to properly reorganize along the lines recommended by the Commission on the Organization of the Executive Branch of the Government.

We have been reorganizing the State Department on and off for a good many years. As I understand it, the Assistant Secretary of Administration now in charge of that reorganization, Mr. Peurifoy, has been working on this task for about 2 years. In my opinion, he has done a better job, and has at least made a better start, than any other individual who has attempted the task. Of course, this bill now before us will make it possible for him, under the direction and with the support of the Secretary of State, Mr. Acheson, to more easily put into effect a proper reorganization of the Department.

If the reorganization plans recommended by our Commission are put into effect, as we hope they will be, then there is no reason why 2 or 3 years from now anyone should be getting up on the floor of the House and charging we have people down in the State Department who do not belong there, because the Secre-

tary of State will have power to get rid of all unsatisfactory employees.

I am hoping that this rule will be adopted and that this bill will be quickly passed.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. VORYS. I think that as this is possibly one of the first reorganization bills to come to the floor, it might be appropriate to pay a word of tribute to my colleague, the gentleman from Ohio [Mr. BROWN]. I know this is embarrassing to him. He was not only coauthor of the legislation to create this reorganization commission last year, but I feel I am justified in telling tales out of school to this extent, that I have found out from some other members of the Commission how valuable his vast knowledge and experience, not only of Government, but of private business, has been in the deliberations and decisions of the Hoover Commission. At the risk of embarrassing him, I want to pay this tribute at this time.

Mr. BROWN of Ohio. I am embarrassed, and I am appreciative at the same time. But, at least your remarks show that we have harmony in the Ohio delegation.

I hope that this resolution will be adopted unanimously, and that this bill will also be enacted by a unanimous vote of the House. After all this is a bipartisan effort that we are making, and all we can do here in the House—I want to reiterate again—is to make it possible for proper actions to be taken. By so doing we have lived up to our responsibility. I hope, and I believe, that the heads of the State Department as now constituted will make every endeavor to carry out the recommendations of the Commission and the will of the Congress through an effective reorganization under the provisions of this bill.

Mr. VORYS. Mr. Speaker, if the gentleman will yield further, I would just like to say that one of the suggestions made in the Committee on Rules is being incorporated in the bill as a committee amendment.

Mr. BROWN of Ohio. Yes. I am very pleased to say that the committee will offer as a committee amendment a slight amendment to the bill, recommended and suggested by the gentleman from New York [Mr. WADSWORTH] and also by myself, which will make certain that the Secretary does have the power to coordinate the efforts of the Foreign Service with the State Department.

Mr. SABATH. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, just 158 years ago, less than two short years after the adoption of our great charter of government, the people of Poland adopted for themselves a similar manifesto of freedom. May 3, 1791, became the Fourth of July for the Polish Nation.

The Polish Constitution of that year marked the regeneration of that nation from a serf state into a flowering democracy. Predicated upon the sovereignty

of the people the philosophy of that constitution was one of humanitarianism and tolerance. It provided, like our own Constitution, for separation of powers among the executive, legislative, and judicial branches of government under the form of a limited constitutional monarchy. All of the basic freedoms, including that of religion, were guaranteed, and the age-old system of Polish parliamentaryism was preserved.

Unfortunately, expression of the ideals of the Polish people in a constitution did not forestall the third and most lamentable partition of Poland in 1795 when that gallant little country was ravaged by Russia, Germany, and Austria.

It was not until 1918 when under the guidance of the noble principles insisted upon by Woodrow Wilson, that the philosophy of the Polish Constitution of 1791 was possible of effectuation, and from that date until the lowering of the iron curtain Poland stood proudly in the forefront of the ranks of world democracies.

It is ironic, indeed, that the nation which first felt the brunt of Nazi brutality should now find itself under the bondage of Communist despotism. But the entire history of Poland has been one of sacrifice and travail.

As our ally during the last great world war, as a nation whose national aspirations have always been oriented to those of the great Republic of the west, as a land which furnished many heroes in our own struggle for independence, the hearts and hands of the people of the United States have always gone out in sympathy and understanding to the people of Poland. The bond of friendship between the two nations shall survive the present government of Poland.

It is the people of Poland, and not its government, which we salute in this month of the anniversary of the Polish Constitution. The norms, the principles, and the philosophy of that great document have been ingrained in the hearts of the Polish people and have become a part of their national character. The brave people who have witnessed the downfall of Germany, Austria, and czarist Russia will, I am confident, survive to witness the disintegration of the Soviet Government, the rolling back of the iron curtain, and the reestablishment of a full and independent Poland.

When that happy event occurs, and God grant that it will not be too far in the future, a restored Poland, free of the communism which has paralyzed her liberty, will again arise as a bastion of democracy in eastern Europe. Then the unconquered spirit of these brave and faithful people will soar again in the free air of Poland, and with the blessings of their own constitution as a bulwark of independence, the indomitable courage of the Polish people will carry their native land forward to new and greater heights among the commonwealths of democracy.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Speaker, in connection with this legislation regarding the State Department, it seems to me if the

State Department keeps handling the affairs of the world as in the past, so far as our Nation is concerned, we are on the wrong road. We want to get rid of the leftists that are in the State Department and bring the State Department to the realization that they should look after the affairs of America and not assume all the responsibilities of the nations of the world, because we just cannot do it. I hope that there will be someone on the Committee on Foreign Affairs that will take the position that these men who want to assume the responsibilities of the nations of the world, must take a different attitude and look after the interests of the American people, or we are lost—lost in the world morass.

Mr. SABATH. Mr. Speaker, I, too, wish to congratulate the gentleman from Ohio [Mr. BROWN] despite the fact he questioned my veracity as to a statement I made.

Mr. BROWN of Ohio. I never question the gentleman's veracity; I question his judgment.

Mr. SABATH. I am familiar with the splendid work the gentleman has done on the so-called Hoover Commission. It comes natural that he should cooperate with Mr. Hoover and the rest of the gentleman on the Commission, who, as he says, are Republicans, and in this instance, of course, recommending legislation that would strengthen and expand the activities of the State Department.

When the gentleman from Ohio [Mr. BROWN] states that he did not quite understand what I was saying, I sincerely regret it. I further regret that he did not understand or wish to understand what I was saying. However, I do say that the statements I make I can verify.

Now as to General Draper, the gentleman said that the statements I made were not borne out by the facts or founded on facts. Let me read what General Draper stated before a committee here some time ago. He was formerly one of the vice presidents of Dillon, Read & Co., who in conjunction with John Foster Dulles and others was representing the cartels and the Farben industries. This is what Mr. Draper stated when he appeared before the Congress—page 811, hearings before the subcommittee of the Committee on Appropriations, Eightieth Congress, and I quote:

I personally have been one for 2½ years who has been attacked in the papers probably more than anyone else for trying to build up Germany and for trying to reduce the reparations program. I admit that I have had that point of view.

Certainly he had that point of view. Is not it a fact Draper not only forced himself upon General Clay but his son-in-law, Phillip Hawkins as well, who is now in an influential position in Germany's military government scheme. All this on the theory that General Clay, who actually desired to carry out the provisions of the Potsdam Agreement which provided for denazification, decartelization, and reparations, did not possess the diplomatic acumen that Mr. Draper and his son-in-law were blessed with.

And is it not a fact that a great many gentlemen of the State and War Departments resigned their positions in protest rather than be a party to the

actions of General Draper and his associates in their policy of safeguarding the Nazi interests to the detriment of the United States.

Mr. BROWN of Ohio. If the gentleman will yield, for the purpose of clarity, to what gentleman is the gentleman referring? I have no nephew in Germany, if the gentleman means me.

Mr. SABATH. Of course, I did not refer to the gentleman from Ohio. If he had a son-in-law in Germany, our interests would have been protected. I referred to the son-in-law of General Draper, Mr. Phil Hawkins.

Mr. BROWN of Ohio. I did not know anything about General Draper.

Mr. SABATH. That is indeed unfortunate, for I have the facts. I wish that the gentleman did know about his past and his policies as he himself expressed and admitted in his testimony before the Subcommittee of the Committee on Appropriations of the Eightieth Congress, when he stated, and I repeat:

I * * * have been * * * attacked * * * for trying to reduce the reparations program and build up Germany. * * * I admit that I have had that point of view.

Draper, among others, had been aiding the Farben interests and other German cartels. Of course, I concede that some large American steel corporations and others have interests in these cartels and have bought into them heavily. This is the reason, perhaps, that influence is being used to aid these cartels and rebuild Germany and her war potentials. But it will not inure to the benefit of our country. That is what I am interested in. I am interested in the welfare and future of my country and not in the Nazis or in Japan or in Fascist Spain, Fascist Argentine, Mussolini's policies, or in any of the other countries that have been against us and will be against us when the opportunity presents itself again.

I tried briefly to explain what the bill provides. I stated that it is a step in the right direction. I congratulate the gentleman from West Virginia [Mr. KEE], the chairman of the Committee on Foreign Affairs, for reporting this bill. I hope in view of what has taken place heretofore and in view of what I have said on the floor of the House today and what I have said on previous occasions relative to this question, that these facts will have some effect on the President in appointing men who will not be controlled by these selfish vested interests, whose personal interests always come before the best interests of our country in their connections with these German and British cartels. I hope that these new appointments will not be used or influenced by the shrewd and conniving British diplomats or by Fascist-minded individuals who are always looking for the best and giving us the very worst that they can.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. BROWN of Ohio. I think in fairness the gentleman should explain, or should agree, that the Commission on the Reorganization in the Executive Branch of the Government of course

has nothing to do with the conduct of affairs in Germany and did not investigate that particular field, and that the whole question which has arisen here and the discussion that the gentleman has had relative to cartels has nothing to do with the Commission or with the pending legislation. I would like to ask the gentleman if he thinks the President should recall Mr. Dulles, and if the President made a grievous error in appointing Mr. Draper. I do not think it is fair to attack those men when we are considering legislation which is non-partisan, or at least bipartisan, when those gentlemen are not here to speak for themselves.

Mr. SABATH. All I can say is that no man can serve two masters with diverse interests. No man can ride two horses that are going in different directions. The men that I have called attention to have been connected, and some of them still are connected with the banking institutions and law firms who have been representing and financing some of those cartels and some of these German Nazi institutions that gave that beast Hitler to the world and made it possible for Hitler to war against us and against the world. I know the gentleman from Ohio is too well posted on such matters and consequently I am amazed when he says that this Department has nothing to do with the Hoover Commission reports. I exceedingly regret that the Commission of which the gentleman is a member has failed to investigate and penetrate the activities and manipulations of these gentlemen to whom I have previously called attention. I dislike to make the insinuation, but it seems to me that John Foster Dulles was the adviser of ex-President Hoover, the Chairman of the Commission of which the gentleman from Ohio is a member, and adviser to the Republican candidate for President as well. Consequently, from my point of view, it is not nonpartisan or bipartisan, for in this respect, the Republicans under the leadership of these men whom I have heretofore mentioned, have been and are playing a most important part in the rebuilding of Germany. They are entitled to all the credit, and such credit, will, I fear, in years to come operate to their discredit. We have won the war only to lose the peace.

Mr. BROWN of Ohio. I did not make that statement. I said this particular bill had nothing to do with that issue and could not settle it and I said the Commission on Reorganization in the Executive Branch of the Government had nothing to do with the question or with this issue, and that they had not tried to settle it and cannot settle it and I do not think that you or I could settle it on the floor of the House.

Mr. SABATH. But when legislation is here for the Commission, we are legislating in the interests of our country. We have taken the advice and recommendations, or at least the committee has, of that Commission which has been appointed by the President and I hope that their recommendation is in the right direction. I know this bill is. Consequently whenever there is anything good in that report, I know this committee

and any other committee of the House will continue to support it and try to enact it into legislation whenever it is found that it is actually in the best interests of our country.

Consequently, I feel, as I have said before, that the Hoover Commission has not penetrated the activities that have transpired since Potsdam, which in no wise can inure to the interests of America or eliminate the omnipresent dangers of war or bring about peace to the world.

Mr. SABATH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. KEE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3559) to strengthen and improve the organization and administration of the Department of State, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3559, with Mr. DEANE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, general debate is limited to 2 hours, the time to be equally divided and controlled by the gentleman from West Virginia [Mr. KEE] and the ranking minority member of the Foreign Affairs Committee.

The gentleman from West Virginia is recognized.

Mr. KEE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the legislation under consideration today is recommended by the President, advised by the Hoover Commission, requested by the State Department, and endorsed unanimously by the Committee on Foreign Affairs.

The bill before the House is brief, but the changes it will effect in existing statutes are important. That the members of the Foreign Affairs Committee be fully informed with reference to the purposes of the proposed legislation, it called before it the Secretary of State, Hon. Dean Acheson; Assistant Secretary, John E. Peurifoy; and Director General of the Foreign Service, C. M. Ravndal.

All of these gentlemen, each qualified by years of training and experience, went into the matter thoroughly, explained in detail the plan of organization, and fully and without hesitancy answered the many questions propounded to them by the committee members.

From the information thus obtained, as well as from a careful study and analysis of the bill made by the members of the committee, we had no hesitancy about stamping it with our approval. It is so reported to the House with the committee's unanimous recommendation that it do pass. I respectfully commend to the Members of the House a careful reading of the report for a detailed and understandable explanation of the measure and its objectives.

As a matter of fact, the pending bill was designed to carry out in all major respects the recommendations of the Commission on the Organization of the Executive Branch of the Government, commonly known as the Hoover Commission. There are only three provisions in the bill wherein it deviates from the Commission's recommendations. In detail, the differences between the Department's plan and the Commission's recommendations are as follows:

First. The Commission proposed the abolition of the position of counselor of the Department of State; the bill we have under consideration retains this official.

Second. The Commission would create by legislative action two under secretariats in the Department; the bill simply authorizes the Secretary of State to designate two assistant secretaries as under secretaries.

Third. The Commission would abolish the post of Director General of the Foreign Service; the bill retains this post.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. KEE. I yield.

Mr. VORYS. Does the gentleman not feel that this is a distinction without a difference, in that we save a little money by not creating two higher officials, but that we give them the authority to be definitely Under Secretaries, just as the Hoover Commission recommended?

Mr. KEE. That is certainly the opinion and the determination of the committee—a distinction without a difference, as the gentleman well said.

From this simple and direct statement, it will be noted that the Department's plan so closely follows that of the commission that the only material difference between the two is the retention of two posts, viz: that of the counselor and the Director General of the Foreign Service. The difference in the matter of the two Under Secretaries is but slight; in one case the posts of two Under Secretaries would be established by statute, in the other, the statute would authorize the posts, but would provide for the designation by the Secretary of the officials to fill them.

It can be well understood that there was but slight, if any, necessity for any sweeping changes in the organization of the Foreign Service section of the State Department. A reorganization of the Foreign Service was effected in 1946 by a measure enacted by the Seventy-ninth Congress, in which measure I take pride as chairman of a three-man subcommittee of the committee on Foreign Affairs which helped to perfect the legislation. My fellow members on this committee were Hon. JAMES P. RICHARDS, of South Carolina, and Hon. JOHN W. VORYS, of Ohio. It is my information that the Foreign Service has been and is operating smoothly and efficiently since the passage of the act mentioned. Under the pending bill, however, complete authority over the Foreign Service and its personnel is to be vested in the Secretary of State, and he will be responsible, fully and exclusively for all actions in all fields. The bill, in effect, repeals those provisions of the Foreign Service Act of 1946 which provide a special administrative set-up for the Foreign Service and

which assigns certain special duties in relation thereto to its Director and other officers subordinate to the Secretary of State. As has been stated, this has been done in order to vest in the Secretary full and complete authority over the Service, from its Director General down to the end of the roll.

In fact, this same principle is followed with respect to every department and division of the State Department. The Secretary is clothed with complete authority and, at the same time, charged with equally complete responsibility. And this also is in line with the recommendations of the Reorganization Commission.

The bill provides for 10 Assistant Secretaries, an increase of four over the present number. Two of these assistants are to be designated by the Secretary as Deputy Under Secretaries. This is, as has been pointed out, a slight deviation from the proposal of the Hoover Commission.

In its report, the Hoover Commission said:

The State Department should be organized so that the Secretary of State, legally and practically, is in command of the Department and the Foreign Service, so that the line of command from the Secretary of State through the Under and Assistant Secretaries to the lowest level is clear and unencumbered, and so that the Secretary of State is provided with adequate staff services at the top level. * * * This recommendation is fundamental. Its objectives, in terms of the internal organization of the State Department, are to simplify the structure, clarify the Secretary's authority, make his lines of command clear and free from interference, separate staff responsibility from action or line responsibility, and relieve the Secretary and Under Secretary from the burdensome details which now come to them, and thereby afford them an opportunity for thoughtful study of major policy problems.

This is the character of organization the pending measure seeks to effect, and your committee is strongly of opinion that the proposed legislation will accomplish that purpose.

The bill provides that all of the Assistant Secretaries, including, of course, the four additional ones authorized thereby, together with the counselor and legal adviser of the Department of State, shall be on an equal basis of rank, and all are subject to Presidential appointment and senatorial confirmation.

As in all cases of departmental reorganization there will no doubt be raised the question of what will be the additional cost to the Government. I believe it was a surprise even to our committee to learn that this measure can be recommended to the House as one of economy. While the State Department has not pledged that it will result in a reduction of the Department's budget, we were assured that it was the intention to make the new organization work within the present expenditure limit. In fact, we were advised that a saving in operation costs might be reasonably expected.

As I have heretofore stated, the bill retains the office of counselor. This is one of the deviations from the recommendations of the Hoover Commission. It is believed by the State Department, in which our committee concurs, that the

post be maintained so that the Secretary of State may have a confidential adviser to head the planning staff which has long been maintained under the present organization. The counselor will take on the functions of the Secretary's planning adviser. This is dealt with by the Hoover Commission as follows:

The Secretary of State should continue the present high-level planning activity under a planning adviser, with special emphasis on freeing him and his staff of current problems, upon providing him with broad-gage staff, and upon utilization by him of competent advice from inside and outside the Government.

I believe it to be a fact, known and appreciated by all persons who keep abreast with the times, that within the last few years this Government's Department of State has grown remarkably in stature and importance. This is especially true in the field of foreign affairs. And as the Department expanded so multiplied the duties and responsibilities of the head of the Department, the Secretary of State. It is unnecessary to spend time in an explanation of the reasons for this growth and expansion. They are well known. Our Government is today dealing with a different world from that of yesterday, and today, instead of being more or less indifferent to events beyond the seas or beyond the boundaries of our own country and its possessions, we find that we have a vital interest in every event and every incident which may occur in each and every country on the face of the globe. The Secretary of State is the one official who is charged with the duty of taking care of our national interests everywhere. The organization of which he is the head should be as perfect as it is possible for legislation to make it. To accomplish this is the aim and purpose of the measure before the House today, and I trust it may be stamped with your approval.

Mr. VORYS. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I favor the passage of H. R. 3559, a bill to strengthen and improve the organization and administration of the Department of State.

Ever since Subcommittee No. 4 of the Foreign Affairs Committee, on State Department organization and personnel, was created in the Eightieth Congress, there have been vigorous efforts on the part of this committee to improve and make more proficient the personnel of the State Department and the Foreign Service.

The gentleman from Michigan, Bartel J. Jonkman, former chairman of this subcommittee, vigorously probed into the loyalty of some of the State Department personnel, and it was due to a large extent to his efforts that a substantial number were dismissed or permitted to resign. It might be well to call to the attention of the House that during the last 2 years the personnel of the State Department has been reduced by approximately 2,000.

This bill adopts the suggestions made by the Hoover Commission with only two slight deviations. The Commission would abolish the position of the Counselor of

the Department of State, whereas this bill retains it. There also is retained an administrative officer who has jurisdiction over the Foreign Service personnel and who the State Department recommends should be retained. In all other matters the Hoover Commission's recommendations have been followed. I am proud that my Foreign Affairs Committee is the first to bring to the floor legislation of this character.

The bill brings about regroupings of functions and responsibilities and establishes clearer lines of authority.

After this bill becomes law and is put into operation, I am hopeful there will not only be greater efficiency in the State Department but that its budget can be reduced on the basis of this law. Also that unnecessary duplication will be rigorously pruned out of the Department. With the necessary number of officials at the top level working through an improved chain of command, it should improve the Department's operations. If this should happen, it would be a progressive step.

As the bill was originally presented, the Board of Examiners for the Foreign Service was placed directly under the authority of the Secretary of State. The gentleman from Ohio [Mr. VORYS] as well as myself suggested that this should not be done. I am therefore glad that the committee amendment will strike out these words so that the Board of Examiners for the Foreign Service will retain its independent, nonpartisan, and nonpolitical nature.

We have given the State Department what they have asked for. Now it is up to them to make it work.

Mr. VORYS. Mr. Chairman, the origin of this bill has been well explained not only by the chairman of the Committee on Foreign Affairs but we have had the unique experience of having a member of the Rules Committee who was a member of the Hoover Commission and the author of the law, my colleague the gentleman from Ohio [Mr. BROWN] in a position also to explain the bill as it fits into the reorganization picture. He did this very ably in presenting the rule for this bill.

We must remember that this bill, which is a short one, does not reorganize the State Department. The bill merely furnishes the steps which the Hoover Commission felt were necessary and which the Department itself feels are necessary so that the Department may reorganize itself.

In the past 10 years since I have been here we have had five Secretaries of State and seven different assistant Secretaries of State for Administration. It has been most discouraging to me to attempt to keep track of the kaleidoscopic reorganizations that have taken place up there in the State Department. The last man in that job of Assistant Secretary for Administration gives me great confidence in this proposed reorganization. I am sure every Member of the House who knows him shares my confidence in the ability, the integrity, and the organizing ability of Jack Peurifoy, Assistant Secretary of State for Administration, who has had the job longer than anyone in fairly recent times and

who I hope will hold on to the job and see this reorganization through. As far as I am concerned, this is largely a vote of confidence in him and those who are sponsoring him, who share his ideas and helped form them, former Under Secretary Lovett and the present Secretary of State. It is because of my confidence in those gentlemen that I have great hope that this time the State Department is going to finish its growing pains for a while and become a real organization.

The Foreign Service of our country had a thorough statutory reorganization and going over under the Kee bill of 1946, and it is somewhat gratifying to me, having had some part in the deliberations on that bill which was 106 pages long in typewritten form, to find that time and experience have demonstrated the soundness of its major provisions. It provided a system of selection and promotion on merit, a system of selection up or out, following the Navy, so as to get rid of deadwood; a provision for re-Americanization; a provision for on-the-job training through the Foreign Service Institute. These are some of the provisions of that law that have stood the test of time. The Hoover Commission report says, in substance, that since there is some friction and difference between the Foreign Service and the Department, the entire department should become part of a Foreign Affairs Service which would be similar to the Foreign Service over a period of years; the carrying out of that recommendation is possible under the bill which we bring to you.

However, under the law as we bring it to you, in my judgment, it would not be possible to scrap the civil-service protections afforded the approximately 5,000 people in the Department here at home without giving those persons the protections that are provided under the Foreign Service Act itself. An amendment to that act may become necessary because time marches on and changes may be needed. But it is of the utmost importance that, while we give the Secretary of State the authority and the power recommended by the Hoover Commission, we preserve the integrity and the morale of the Foreign Service.

As our report on the Foreign Service Act of 1946 said, we aimed at "a disciplined and mobile force of trained men, with competitive examinations and advancement by merit." We also said "political influence should be excluded." We find now that the Hoover Commission and Secretary Acheson are in full accord with those aims. Therefore the Secretary is perfectly willing that not only the Board of the Foreign Service should be retained in the Kee law but that the Board of Examiners for the Foreign Service should be retained, so that while the Secretary of State can name the Board, and it acts under his regulations, there must be an examination to get into the Foreign Service just as there must be an examination to get into the Army or the Navy training schools to become a regular officer in the armed forces. Politics and patronage must be kept out of the Foreign Service.

It seems to me that we forget that the Foreign Service is something like a peace army. While we expect of our armed

services that they shall be able to go abroad any time and fight and die, and we do not expect that everyone in the Pentagon should have to wear a uniform, realizing that there may be and can be some civilians working there, some of us forget that the Foreign Service must be a somewhat similar mobile, disciplined force manning these 300 foreign posts, 122 of them hardship posts, men who must be competent and willing and able to go out where they are acting alone as the representatives of our Government, if necessary to suffer, and some of them have died within the past year at their posts.

We cannot expect everyone in the State Department to be in a position to do this. The Hoover Commission itself has recommended three exceptions: First, the top-level officials, second, the technical specialists of various kinds, and third, at the lower levels, the clerical and mechanical force at the bottom of the State Department.

It is my hope that this bill will pass. It creates a lot of assistant secretaries. We are going to have 10 Assistant Secretaries in this Department, more, I believe, than any other Department will have. One reason is that this Department deals with sixty-odd missions of foreign countries, and those who meet with the heads of these missions must have sufficient authority and prestige so that each of these mission chiefs will not insist upon seeing the Secretary of State.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Connecticut.

Mr. LODGE. I wish to compliment the gentleman on his highly intelligent and illuminating statement, and also to express this thought: I hope very much that under the reorganization plan contemplated the officers of the United States Information Service will be considered for promotion. I believe that until we recognize the Public Affairs Branch of the State Department as a top-level organism we will not achieve maximum effectiveness with the Voice of America and its related activities. I believe that today diplomatic relations are largely public relations, and I know that in Europe great importance is attached to rank. I hope that in this reorganization plan some attention will be given to this matter. If we are to obtain and retain the best personnel, adequate inducements of some kind must be furnished.

Mr. VORYS. As the gentleman knows, there were disputes among the Hoover Commission task forces as to how the USIS should be carried on, but the Commission itself recommended that it be carried on as provided under the State Department organization chart, found in our report.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to the gentleman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman has given long hours of study to all phases of this matter. Is the gentleman satisfied with the re-Americanization plan?

Mr. VORYS. I am perfectly satisfied with the re-Americanization plan provided by statute, but due to the shortage of funds it has sometimes been impossible to have these people come home as often as they should. The so-called re-Americanization provision of the Kee bill provides that no officer should serve abroad more than 2 years and that every officer should serve at home 3 years out of the first 15 years of his service. However, the funds have not been quite sufficient to provide that rotation and, of course, the war itself and the interruptions all over the world have made it impossible to carry that through.

Mrs. ROGERS of Massachusetts. Is the gentleman satisfied with what the administration of the State Department has done insofar as informing the Foreign Service officers what the foreign policy of the United States is? In 1944 I found that our representatives, our ambassadors, and our *chargés d'affaires*, and so forth, did not know the foreign policy of the United States and, therefore, were very much handicapped in their activities and their statements.

Mr. VORYS. The gentlewoman has brought up a matter that it might not be helpful to pursue too far here today. We are trying to concentrate on future organization, not past mistakes. I think our chiefs of missions over the world have learned what the foreign policy of the United States was whenever we had one.

Mr. SMITH of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. SMITH of Wisconsin. Does the gentleman feel that under Mr. Peurifoy we will get the best kind of reorganization that it is possible to get.

Mr. VORYS. I certainly do. All of us who have worked with him have great confidence in him and that goes far back for the full period that he has been there. Let me say that he is a fine example of a man who has come up from the ranks. He came to Washington and took a job in the State Department and has worked his way up until now he is Assistant Secretary of State for administration and has been confirmed by the Senate also as a Foreign Service officer. He will do a good job.

Mr. SMITH of Wisconsin. I join with the gentleman in that sentiment.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. MANSFIELD. I think it should be said for the record that the fine statements and congratulations tendered by the gentleman from Wisconsin and the gentleman from Ohio showing their high regard of Mr. Peurifoy are shared by the full committee regardless of party. I think it should also be brought out at this time that Mr. Peurifoy and all the other assistant secretaries are working for a salary considerably less than some of the people who are working under them are receiving. I hope we will be able to implement the streamlining of the Department of State as contemplated in this bill at a later date by rectifying that situation and seeing to it that the assistant

secretaries are given salaries which go with the positions that they occupy.

Mr. VORYS. I am sure that the committee joins with the gentleman in his hope. It was felt that it would not be in line with the Hoover Commission recommendations or the policy of the President to recommend in this legislation specific salary raises for these people. But our committee is extremely interested in the general salary scale bill which we understand will be brought before the House for consideration at an early time.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. LODGE. I wish to join the gentleman in his commendation of Mr. Peurifoy.

I think this legislation is noteworthy also because it is the first specific legislative implementation of the Hoover Commission report. We in the House have passed legislation authorizing the President to submit to the Congress plans for the reorganization of the executive branch. But this legislation has not yet passed the other body. I simply call attention to the fact that under the Legislative Reorganization Act, the Congress will adjourn on July 31 and that under the reorganization bill for the executive branch, 60 days must elapse following the submission of any plan to the Congress in order for the plan in question to become operative. This is the congressional veto provision. In other words, it is vital that the Congress take action on the reorganization bill substantially before June 1 in order that the many other departments of our Government can be reorganized. The implementation of the Hoover Commission report is in grave danger due to the inaction of the Eighty-first Congress. At least under the legislation before us the State Department can get its plan under way.

Mr. VORYS. Mr. Chairman, one last thought. As I have said, it is my hope that this bill will result in the reorganization which is outlined in our report which is contemplated by the State Department and recommended by the Hoover Commission. I do not wish to give the impression, however, that I think such a reorganization will be a permanently perfect solution of the conduct of our foreign affairs. I do not believe that our State Department has ceased its growing pains, because I do not believe our Government has ceased its growing pains, not necessarily in size, but in form and substance, made necessary by the changes which time and events are bringing upon us. It is my hope that someday in the future we will see not more and more but less and less of merely diplomatic contacts with other nations and that as the world comes closer and closer together economically, it will come closer together politically and that we will have relationships with other nations far closer than those which we have had up to the present time, and then once more we will have to review the system by which we carry on our foreign affairs.

Mr. KEE. Mr. Chairman, I yield such time as he may require to the gentleman from Connecticut [Mr. Ribicoff].

Mr. RIBICOFF. Mr. Chairman, one thing to be emphasized about the bill to strengthen the organization and administration of the Department of State is its nonpartisan origin and character.

The Department of State has acknowledged this. It has made no partisan point about this reorganization bill. Indeed, it has done the very opposite. There is no reason whatever for any party difference about the substance of this legislation.

All of this is underscored by the close parallel between the instant bill and the reorganization plan which it underwrites on the one hand and the proposal of the Commission on Organization of the Executive Branch of the Government on the other hand.

The Commission has applied to the study of the executive branch a standard of evaluation and a care as to substance and detail never before achieved in such an undertaking.

This is the first piece of legislation to come before either House of the Congress as a result of the Commission's endeavor. It represents the common thinking of the Department of State itself and of the Hoover Commission. I quote from the Hoover Commission report:

The Commission and its task force have kept in close touch with the organizational plans for the State Department. * * * The Commission is happy to say that its thinking and that of the State Department are in complete accord on principles, and, except for certain particulars * * *, the conclusions of both on specific changes are in agreement.

The House should know precisely the details, however minor in character, in which the bill and the State Department reorganization plan, deviate from the Hoover Commission's recommendations.

The first difference is this: The Hoover Commission has recommended discontinuation of the Office of the Counselor of the Department of State. The bill does not provide for the discontinuation of this office. It does not repeal the existing law under which that office was established—the act of May 18, 1937. The Department's plan is to retain this office and make its occupant the head of the planning staff of the Department of State and also retain its occupant in the role of a confidential adviser to and agent of the Secretary who will not be encumbered by routine operational responsibilities. The retention of the planning staff—indeed the emphasis on its importance in providing foresight and continuity in our foreign policy—is in line with the Hoover Commission recommendations. In effect, the bill and the plan are fundamentally consistent with the spirit of the Commission's ideas in this respect.

The second difference is this: The Hoover Commission would provide for two Deputy Under Secretaries of State, one for substantive matters and one for administration. The present bill does the same in effect, but it does so by authorizing the Secretary to designate two of the Assistant Secretaries as Deputy Under Secretaries. Their power and precedence will stem from the Secretary's designation rather than from their

incumbency of a post established by statute. That is the sole difference here. It is a matter of minor concern. Actually, it is even more consistent with the Commission's idea of making the Secretary the master of his own Department than is the Commission's specific recommendation in this respect.

The third difference is as follows: The Hoover Commission would abolish the posts of Director General and Deputy Director General of the Foreign Service. The bill abolishes the deputy's post but retains the Director General of the Foreign Service. The Hoover Commission's recommendation is consistent with its idea that the Foreign Service should soon lose its identity and be merged, along with the Department personnel, into a new Service for Foreign Affairs both at home and abroad. The bill recognizes—as the Department recognizes, and as former Secretary Forrestal's separate observation attached to the Hoover Commission report recognizes, and, finally, as the Committee on Foreign Affairs recognizes—that the merging of the Foreign Service and Department personnel in one service, while desirable as an end objective, cannot be realized at once by a mere stroke of a pen or the enactment of a law. It is a matter for years of development and careful adjustment. Until it can be achieved, there are many advantages and no disadvantages in keeping the director generalship of the Foreign Service.

Those are the sole differences.

Now let me say a word about the harmony between the two—this will, with its underlying plan, and the Hoover Commission's ideas. The basic principles in both are (a) a strong, clear, simple chain of authority and responsibility; (b) adequacy of staff, especially at the top level. In words from the relevant portion of the Commission report:

The State Department should be organized so that the Secretary of State, legally and practically, is in command of the Department and the Foreign Service, so that the line of command from the Secretary of State through the Under and Assistant Secretaries to the lowest level is clear and unencumbered, and so that the Secretary of State is provided with adequate staff services at the top level. * * * This recommendation is fundamental. Its objectives, in terms of the internal organization of the State Department, are to simplify the structure, clarify the Secretary's authority, make his lines of command clear and free from interference, separate staff responsibility from action or line responsibility, and relieve the Secretary and Under Secretary from the burdensome details which now come to them, and thereby afford them an opportunity for thoughtful study of major policy problems.

Those words express the substance of this bill and the Department's plan. They are simply measures to center in the Secretary the lines of authority in the Department. The lines of authority are to run clear, simple, and firm throughout the organization. At the top level there are to be enough people with sufficient authority to insure the firm guidance that is necessary for decision and enforcement.

The committee's report on H. R. 3559 makes it amply clear that clarity of authority and adequacy of staff at the top

level are simply facets of the same thing. It says:

The two principles are mutually related. Adequacy of staff can be determined only in the light of the degree of authority and the scope of responsibility to be exercised. On the other hand, a chain of command can be no stronger than the integration and power developed at the top level of authority.

That our Government—or State Department—can operate adequately only with clear, central authority and with enough power at the top to get its basic work done, is a proposition so direct and sound that there is no basis upon which the parties can disagree.

The Hoover Commission and the Department are squarely behind this proposal. The Committee on Foreign Affairs has come to the same view after painstaking study. There is no reason why everyone in the House should not go along.

Mr. KEE. Mr. Chairman, I yield such time as she may desire to the gentleman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. This bill is simple and brief. It represents an effort to enable the Department of State more efficiently and adequately to fulfill its responsibilities as the staff arm of the Government in the field of foreign affairs.

The present organization of the Department of State makes it impossible for a line of action to be determined without the concurrence of two or more units with more or less equal authority and jurisdiction.

This represents a cumbersome application of the idea of checks and balances in the field of executive action. Furthermore, it places an unbearable work load on the person of the Secretary and the Under Secretary as it is these two officers who must spend most of their time resolving conflicting ideas between subordinate units within the Department.

It is this arrangement which the report of the Commission on Organization of the Executive Branch of the Government characterizes as "the present intolerable system of coordinate authority whereby concurrences on different chains of command within the Department are required" and which the Commission says "should be eliminated."

The Commission's report further observes in this connection:

The State Department, since the war, has at all levels been too much concerned with details and not enough with policy. The Secretary-Under Secretary top command is overburdened by being drawn down into participation in too many daily decisions with the consequence that the entire Department lives day-to-day, and policies tend to be determined in terms of short-range decisions.

The State Department began in recent years to endeavor to reduce the United States objectives and foreign policies to writing. Continued emphasis on this admittedly difficult task, and on making such written statements available to all concerned, will provide the means by which the regional Assistant Secretaries and the international organization Assistant Secretary may assume responsibility for all but the most crucial decisions and afford the top command time for reflection and long-range thinking.

The regrouping of functions and responsibility necessary for effective administration can be accomplished within

the authority of the Secretary to administer the Department and, in his own discretion, to delegate responsibility to subordinates.

To this end this bill revises various statutes vesting authority in departmental matters in officers within the Department and places all such responsibilities in the Secretary himself.

The basic principles in both the Commission's report and the Department's plan are (a) a strong, clear, simple chain of authority and responsibility; (b) adequacy of staff, especially at the top level.

To again quote from the Commission's report:

The State Department should be organized so that the Secretary of State, legally and practically, is in command of the Department and the Foreign Service, so that the line of command from the Secretary of State through the Under and Assistant Secretaries to the lowest level is clear and unencumbered, and so that the Secretary of State is provided with adequate staff services at the top level. * * *

This recommendation is fundamental. Its objectives, in terms of the internal organization of the State Department are to simplify the structure, clarify the Secretary's authority, make his lines of command clear and free from interference, separate staff responsibility from action or line responsibility, and relieve the Secretary and Under Secretary from the burdensome details which now come to them, and thereby afford them an opportunity for thoughtful study of major policy problems.

The two principles are mutually related. Adequacy of staff can be determined only in the light of the degree of authority and the scope of responsibility to be exercised. On the other hand, a chain of command can be no stronger than the integration and power developed at the top level of authority.

Mr. KEE. Mr. Chairman, I yield such time as he may require to the gentleman from Alabama [Mr. BATTLE].

Mr. BATTLE. Mr. Chairman, Congress has given lip service to reorganization of the Government for years and years. Now is the time for action. Here is an opportunity to pass legislation to enable the reorganization of the State Department so that it can really operate efficiently.

The proposal before Congress today, H. R. 3559, is an economy measure in the broadest sense. It is primarily designed to increase efficiency and to guard against the necessity for additional personnel due to continuously increasing demand.

For the first time it gives the Secretary of State complete charge of the Department of State. He has always had the responsibility but up to now his authority has been divided by law.

This reorganization of the State Department has stemmed from the Hoover report made by a bipartisan Commission in the interest of consolidation and more efficient operation of Government. This reorganization plan is almost identical with the suggestions of the Hoover Commission. There are two main differences:

The Hoover report suggested that the positions of counselor of the Department of State and the director general of the Foreign Service should be abolished, while the proposal before Congress today

retains them. However, as the reorganization charts will show, there are whole sections of the Department that have been abolished or consolidated. This will result in substantial savings.

This reorganization plan removes wasteful duplication. At the same time it clarifies lines of authority. It relieves the Secretary of State and the Under Secretary of burdensome detail and thereby affords them an opportunity for thoughtful study of major policy. This is accomplished by placing sufficient authority and responsibility for action in five line units under five assistant secretaries.

Four of these assistant secretaries would head up regional units with the responsibility for the four traditional geographic segments of the world—a responsibility that now falls directly on the already overburdened Secretary of State. These four geographic divisions relate to the American Republics, European affairs, far eastern affairs, and near eastern and African affairs.

The fifth assistant secretary would handle the problems and responsibilities of participation in international organizations. You may be surprised to learn that in the fiscal year 1949 the total allocation spread throughout the various Government departments for our participation in international organizations and conferences is \$160,000,000 or \$40,000,000 more than the combined appropriations for the State Department and Foreign Service. The responsibility for our participation in these international organizations and conferences should be centralized and coordinated by someone familiar with the nature of the task. This would be the function of the new fifth assistant secretary and would obviously result in needed coordination and economies.

This bill before Congress today, H. R. 3559, deserves and should be given the backing of every efficiency- and economy-minded Member of Congress.

Mr. JAVITS. Mr. Chairman, will the gentleman yield for a question?

Mr. KEE. Yes; certainly.

Mr. JAVITS. I wanted to ask the chairman whether he agreed that this particular plan of reorganization is a conservative and realistic approach to the very greatly enlarged job of the State Department. A job now expressed in terms of world responsibility rather than just of relationship to other countries, and whether in creating new assistant secretaries, each to direct affairs regarding a separate region, which is the essential purpose of the bill, the necessary action to meet this new responsibility was being taken?

Mr. KEE. That is certainly my view.

Mr. VORYS. Mr. Chairman, I have no further requests for time on this side.

Mr. KEE. Mr. Chairman, I have no further requests for time here.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Be it enacted, etc., That there shall be in the Department of State in addition to the Secretary of State an Under Secretary of State and 10 Assistant Secretaries of State.

Mr. STEFAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection? There was no objection.

Mr. STEFAN. Mr. Chairman, I am happy that we have H. R. 3559 before us for action. I am sure it will be passed unanimously and that there is no opposition to it. It comes at a time when it is needed, at a time in the history of our country when we must give more and more attention to our foreign affairs and to our relations with foreign governments.

I wish to join other members of the committee in paying tribute to the Assistant Secretary of State for Administration, Mr. John E. Peurifoy. I feel, however, that the members of the committee who have said so many complimentary things about Mr. Peurifoy have not gone far enough. Much has been said that this legislation combines many of the recommendations made by the Hoover Commission. As ranking minority member of the committee which makes appropriations for the Department of State, I wish to call attention to the many hearings that were held by our committee, under the chairmanship of the gentleman from Michigan, Hon. LOUIS RABAUT, and later under the chairmanship of myself, and later and presently under the chairmanship of the gentleman from New York, Hon. JOHN ROONEY. You will find in those hearings, word for word, many of the recommendations that have been made by the Hoover Commission. Long before the Hoover Commission came into being, many of the recommendations that are now being acted upon by this House were suggested and originated in the mind of Mr. John E. Peurifoy.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. VORYS. I would like to add also that some of the provisions in the Kee bill and some of the provisions in the State Department reorganization bill are the result of recommendations of the gentleman's subcommittee of the Committee on Appropriations.

Mr. STEFAN. I thank the gentleman very much.

The fact of the matter is that when we brought before this House for action the bill making appropriations for the Department of State for the fiscal year 1950 it implemented many of the recommendations we are making in this authorization legislation.

I wish to take this opportunity not only to commend Mr. Peurifoy, but also the Members of this House who joined us in writing reports and recommendations, the gentleman from New York [Mr. ROONEY], the gentleman from Georgia [Mr. PRESTON], the gentleman from Ohio [Mr. CLEVINGER], and the gentleman from Pennsylvania [Mr. FLOOD].

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Certainly, I yield to the chairman of the Committee on Foreign Affairs.

Mr. KEE. I wish to associate myself with everything the gentleman has said

with reference to Mr. Peurifoy. The committee believes in John Peurifoy.

Mr. STEFAN. I thank the chairman very much.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. JAVITS. I wish to take this opportunity to make reference to Mr. Peurifoy's outstanding talents as a public servant and the sterling character with which he has won the confidence of the committee. May I express to the gentleman our hope that this coordination between the Committee on Foreign Affairs and the Committee on Appropriations, and especially the subcommittee on which the distinguished gentleman from Nebraska serves, may continue. It is very promising for the benefit of the State Department and the country.

Mr. STEFAN. I thank the gentleman very much. I wish to say at this time that the relationships between the House Committee on Appropriations and the Department of State, and the Legislative Committee, the Committee on Foreign Affairs, have been made stronger; and a better understanding has come about as the result of suggestions and advice received from the gentlewoman from Ohio [Mrs. BOLTON]. I wish to take this opportunity to thank the gentlewoman from Ohio and members of the Foreign Affairs Committee for their cooperation. We all want to improve this understanding.

But I want the RECORD to show, Mr. Chairman, in the reorganization program for the State Department, of the importance of the work of the Assistant Secretary of State, Mr. John Peurifoy.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mrs. ROGERS of Massachusetts. I wish to pay my tribute to the gentleman from Nebraska who presently has the floor, for the tireless work he has done for many years in the interest of our Foreign Service, to the end that we might have a settled foreign policy and that the representatives of our country might be informed as to what the policy of their country was.

Mr. STEFAN. I thank the gentlewoman from Massachusetts very much. She was a long-time member of the Foreign Affairs Committee and her valuable work has not been forgotten by us.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. CANFIELD. I am glad to hear the gentleman speak as he does regarding Mr. John Peurifoy. It is my belief, may I say to the gentleman in the well of the House, that there are hundreds of Members of Congress who have never had the privilege and pleasure of meeting Mr. John Peurifoy or, for that matter, the new Secretary of State, Mr. Dean Acheson. Does not the gentleman believe it would be a wholesome thing for some sort of reception or get-acquainted meeting to be arranged so that Members of Congress may see face to face the gentlemen who are running the State Department? I know when we go home to our respective constituencies and we are asked for information and advice concerning the

State Department, its leadership, and some of its operations, it is assumed by our constituents that we have unique knowledge, which we do not; the only information we get is from Members on the House Committee on Foreign Affairs and what we hear on the floor of the House. Again I say I believe it would be productive of much good if we could meet the new Secretary of State and his Under Secretary and assistants at some reception or get-acquainted meeting. Does not the gentleman agree with me?

Mr. STEFAN. I agree with the gentleman heartily. It is a valuable suggestion and I hope we can do something about it now.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. KEE. I am interested in the suggestion that the gentleman from New Jersey has just made; and, as chairman of the Committee on Foreign Affairs, I shall be very happy indeed to endeavor to arrange such a meeting between the Members of Congress and the men in the State Department.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. JUDD. Will the gentleman's committee give us entertainment allowance for such a function?

Mr. STEFAN. We shall have to consult the gentleman from Kansas on that.

Mr. CANFIELD. May I say that I am not particularly interested in that item, I think the gentleman knows that. My suggestion, however, was made most seriously and in good faith and I believe such a get-together will benefit both the Department and the Congress.

Mr. STEFAN. I agree with the gentleman's suggestion and I am happy that the chairman of the Committee on Foreign Affairs is going to carry it out.

Mr. Chairman, one of the most important recommendations in the Hoover Commission can be found on page 3 of the committee report which reads in part, as follows:

The State Department should be organized so that the Secretary of State, legally and practically, is in command of the Department and the Foreign Service, so that the line of command from the Secretary of State through the Under and Assistant Secretaries to the lowest level is clear and unencumbered.

It is that objective which your Subcommittee on Appropriations has been trying to reach for a long, long time and it is this part of the recommendations which the Assistant Secretary of State, Mr. Peurifoy, discussed with our committee many times. We are very happy it is included in this bill.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

The Clerk read as follows:

SEC. 2. The Secretary of State and the officers referred to in section 1 of this act shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser, who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with the Assistant Secretaries of State. Any such officer holding office at the time the provisions of this act become ef-

fective shall not be required to be reappointed by reason of the enactment of this act. The Secretary may designate two of the Assistant Secretaries as Deputy Under Secretaries.

Mr. VORYS. Mr. Chairman, I move to strike out the last word for the purpose of making a statement on this section of the bill.

Mr. Chairman, It is not so stated on the reorganization chart which is in the report and which will carry out this legislation, but the Deputy Under Secretary of State for Administration will be the many-times-mentioned Mr. Peurifoy. The Counselor of the Department will be head of the policy planning staff, and this position will be filled by Mr. George Kennon, who has rendered such able and valuable advice and assistance to the present Secretary of State and his predecessor. I have felt for years that the job of counselor, as it was set up in the State Department, as a general floater and kibitzer, was not appropriate, and therefore I agreed with the Hoover Commission recommendations that such a post be abolished. But, I want to point out that the bill and the reorganization under the bill will make this counselor the Planning Adviser, head of the policy planning staff, which is an important position, and very necessarily on a staff level under the Hoover recommendation, and under the planned State Department reorganization.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. The Secretary of State, or such person or persons designated by him, notwithstanding the provisions of the Foreign Service Act of 1946 (60 Stat. 999) or any other law, except where authority is inherent in or vested in the President of the United States, shall administer, coordinate, and direct the Foreign Service of the United States. Any provisions in the Foreign Service Act of 1946, or in any other law, vesting authority in the "Assistant Secretary of State for Administration," the "Assistant Secretary of State in Charge of the Administration of the Department," the "Director General," the "Board of Examiners for the Foreign Service," or any other reference with respect thereto, are hereby amended to vest such authority in the Secretary of State.

Mr. KEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. KEE: Page 2, line 13, after the word "State" strike out the comma and insert "and the personnel of the State Department."

The committee amendment was agreed to.

Mr. KEE. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Committee amendment offered by Mr. KEE: Page 2, lines 17 and 18, strike out the words "the 'Board of Examiners for the Foreign Service'."

The committee amendment was agreed to.

Mr. JUDD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had not expected to speak on this measure, because its purpose and provisions have been fully explained in the committee report and by the chairman of our committee and the gentleman from Ohio [Mr. VORYS]. I

cannot believe anyone will oppose the bill's passage because the more a person may be opposed to State Department performance, the more he should support this as a necessary step toward improvement. But inasmuch as there have been so many references to the development of various features of this reorganization plan I feel under obligation to report that it was first considered and a lot of work done on the problem by the Subcommittee on the Department of State of the Committee on Expenditures in the Executive Departments, beginning in January 1947. The majority leader, the gentleman from Massachusetts [Mr. McCORMACK], and I are the only two members of that subcommittee who are still in Congress. The other members were the former chairman, the gentleman from Colorado, Mr. Chenoweth; our former colleague, the gentleman from Alabama, Mr. Manasco, who has served as one of the congressional members of the Hoover Commission and whose long experience with Government agencies while on the Committee on Expenditures in the Executive Departments was of great value in equipping him to make an exceedingly valuable contribution to the work of the Commission; also our former colleague, the gentleman from Illinois, Mr. Busbey, was a member of that subcommittee.

I must say further that opposition to this long-overdue reorganization of the State Department has not come from congressional circles. Most of the opposition has been from within the Department itself. As the House well knows, the personnel handling our country's foreign relations are divided into two groups: One, those who work in the Department, mostly here in Washington, and under civil service; the other, the Foreign Service, a separate corps of officers, mostly stationed abroad, although some in important posts here. There has always been considerable friction, jealousy, and antagonism between the two, and it led to constant battling within the Department. Some in the Foreign Service were inclined to the old-school-tie attitude, and objected to being considered as belonging to the same team as their colleagues working at the home base. The greatest compliment that can be paid to Mr. Peurifoy—and he deserves everything said about him today—is that after 2 years he has been able to break down much of the resistance within the State Department. The Congress would have been happy long ago, I think, to give authorization for reorganization, but only now has the State Department itself become sufficiently unified to ask for it.

When I first came into contact with Washington officialdom 10 years ago, everybody talked about the State Department as the mustiest and least efficient Department in Washington, and the one most driven with dissension. In those prewar and war years, one frequently heard quarrels even at social functions between members of different agencies. But if there were State Department people present, they would quarrel more with each other than with those from other agencies. There were

right wings, left wings, and everywhere in between. It was commonly said that there were at least five major factions in the Department, no two of which spoke to each other, except on state occasions.

The really great achievement thus far is that under Mr. Peurifoy's persuasion and persistence, fully backed by General Marshall and, I assume, equally so by Secretary Acheson, the Department is working better as one team. We hear a great deal nowadays about the difficulties the National Military Establishment is having in getting the three main branches of the armed forces in the National Military Establishment to work unitedly under one head. It is no less important that all of the people working in the field of our foreign relations and diplomacy be equally unified.

Many have spoken today about the great victory in the blockade of Berlin. Well, that victory was due to American spirit coupled with American technical ability and organizational know-how in a struggle that was made necessary only because of the blunders and ineffectiveness, if not worse, of American diplomacy. Military forces are somewhat like ambulances; they are called upon to race down the street to rescue somebody or salvage as much as possible from a smash-up that happens only when or after diplomatic forces have failed to do their job in preventing the catastrophe. Only as we get better handling of our foreign relations can we hope to avoid these jams into which we have been getting too frequently. Only thus can it become possible to cut down our expenditures for armaments and defense and thereby have more money to reduce taxes and to carry on other important programs for our people here at home.

Let me add one further word: I hope that with the direct line of command from the top down and with the adequate staff at top levels which this bill provides, it will be possible for the Secretary of State to get the right and left hands of the State Department working in coordination. It is tragic that it should have awakened so belatedly to the real nature of communism in Europe. But it is even worse that after adopting the Harry Truman policy of resistance to communism in Europe, it still follows the Henry Wallace policy of appeasing communism in China. There will no longer be any excuse for not having a unified policy for the United States of America.

Passing this bill and giving the Department the legislative authority to reorganize does not do the job. The real task lies ahead. Mr. Peurifoy and his associates backed by their superiors have made a good start. They will need the full support of Congress too in what will be a tough struggle, if they are to succeed in carrying out the contemplated reorganization against the great opposition which will still resist from within the Department itself.

Mr. MILLER of California. Mr. Chairman, I move to strike out the last two words, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MILLER of California. Mr. Chairman, I think the committee has done a fine job in bringing in this bill. I am very happy to hear the compliments that have been showered upon the efficient people who work for the State Department. May I call your attention to the fact that we have done only half this job when this legislation is adopted. The salaries for these people were last adjusted about 25 years ago. The salaries of the Assistant Secretaries of State have not kept pace through the years with other salaries. They are entirely inadequate for the responsibility of the jobs we want them to do. The Committee on Post Office and Civil Service has been struggling with a bill to adjust these salaries on a more rational basis. The Commission on Organization of the Government recommended upward adjustments in these and similar jobs. The matter was started in the Eightieth Congress. Rather extensive hearings covering people in this and comparable categories were held then and have been held recently by the Post Office and Civil Service Committee of the Eighty-first Congress, and we hope to have that bill before you very shortly. When that bill does come to the floor of the House we hope the people who have worked so hard and assiduously on this bill will recognize the necessity for remunerating the people who must carry out these duties in some proper relation to the responsibilities of their respective positions.

Mr. KEE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from West Virginia.

Mr. KEE. May I say to the gentleman that the committee did discuss this matter in their discussion of the bill before us today, and we agreed with the gentleman that discrepancies must be cured. We determined, however, that this bill is not the place to take cognizance of that. We will wait for the general bill to come to the floor of the House.

Mr. MILLER of California. I appreciate that, and thank the gentleman. I merely wanted to call it to your attention, to alert you to the bill when it comes before you.

Mr. CHURCH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CHURCH. Mr. Chairman, I regret that the gentlewoman from New Jersey [Mrs. NORTON] has left the floor. I regret also that just a short time ago this afternoon, while I was being called off the floor, the gentlewoman brought up and passed by unanimous consent the bill H. R. 4583, calling for the \$3,000 increase in clerk hire and \$500 increase for telegrams and telephone calls. It would have been far better had the House taken that matter up under a rule and discussed it. We had no previous notice

that this measure would be called up today. Had I been present when this bill was called up unexpectedly I would have objected. If we are to economize we must make certain these proposed additional expenditures are absolutely necessary.

Mr. Chairman, as a member of the Committee on Appropriations, I intend to go into this very carefully when the legislative appropriation bill is considered. I am sorry the bill was brought up in this way, precluding full discussion.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been suggested that the House Committee on Foreign Affairs could arrange a meeting with the Secretary of State, the Under Secretary and the other secretaries with Members of Congress. I remember during the war I suggested to the Speaker that he ask General Marshall to come to us and talk with us about military affairs. That was done and I think it was very successful. I suggest now, Mr. Chairman, that the chairman of the Committee on Foreign Affairs, if he is willing to do so, invite the Secretary of State the Under Secretary and the other secretaries to meet with us in one of the various auditoriums at the Capitol or at the Coolidge Auditorium to talk with us about foreign affairs and other State Department matters. After the meeting a reception could be held which would involve no expense and no refreshments. We would be delighted to see and hear the Secretaries and I hope they too would derive some pleasure and benefit from talking with us.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mrs. ROGERS of Massachusetts. I shall be very glad to yield.

Mr. CANFIELD. I do not know whether the gentleman was present when I made a like suggestion a few moments ago, but the chairman of the committee has agreed to undertake that very thing and I am very happy about it.

Mrs. ROGERS of Massachusetts. I am delighted. I would also like to express my appreciation for the very fine work that the House Committee on Foreign Affairs has done under the chairmanship of that very great statesman and learned gentleman, Judge JOHN KEE, with whom I had the pleasure of serving for a number of years on the Committee on Foreign Affairs, and I want also to say I appreciate the work done by the Committee on Appropriations and the Congress.

Mr. CROOK. Mr. Chairman, I move to strike out the last word in order to make an observation. When the bill comes up before the Congress—the bill about which the gentleman from California [Mr. MILLER] made mention—please bear in mind the proposed salaries are in keeping with the philosophy of the Hoover Commission.

Mr. RABAUT. Mr. Chairman, I move to strike out the period.

Mr. Chairman, during my first year in Congress, through the recommendation of the Speaker, I was appointed to the Committee on Appropriations. From the beginning I served on the subcom-

mittee for State, Justice, and—at that time—Labor, and later on the subcommittee for State, Justice, Commerce, and the Federal judiciary. Because of my many years of service, I feel I am somewhat familiar with the activities of the State Department. At the request of several Secretaries at various times, I traveled to many countries throughout the world and checked intimately the activities of the Department in those places. Every Secretary, from Cordell Hull down—and I have the greatest respect and admiration for all of them—has come here with a reorganization plan. Every time we get a new Secretary we get a new reorganization bill for the State Department. I think the State Department ought to find itself some of these days and settle down with a workable plan to serve permanently the needs of this great Department. Disturbed conditions for the personnel as a result of these reorganizations, to my way of thinking, have been too rhythmical in recent years and do not make for efficiency. It is true the Department deals with the upset conditions in the world, and we have had plenty of them lately; let us hope the correction from now on will be for the better.

Reference is made to bringing men home. It was years ago that we decided that question when we met one of our representatives in Scotland.

He said to me, "Jolly well, by jove, we are awfully glad to hear that you are here."

I said, "Where did you come from? Oxford?"

He said, "No. I have been here a long time."

I said, "When were you home last?"

And he said, "Twenty years ago. My wife does not care to travel."

I said, "From now on you go home every 3 years and learn something about the United States of America."

We have too much of that. The time has come when we set the plan and follow no one. I made that very forcefully known to the leadership in the Department at that time.

There is another condition in the State Department. I do not know whether it has been corrected or not, but we have people doing the identical work in the different consulates and legations, some coming from the United States and others hired in the country in which they reside. The one who comes from the United States receives more money than the one doing similar work in the country where he resides; and the one in the country where he resides teaches the one who comes from the United States as to the requirements of his position. The harmony so made in the Department I fail to understand. It is no good. I hope it has been corrected. If it has not been corrected, I respectfully call it to the attention of the legislative committee that has charge of writing their laws.

I read with interest the statement of the Secretary relative to sending an ambassador to Spain. In my opinion, his statement falls upon deaf ears. When President Roosevelt was in office and we were making arrangements with every

country in South America, we had a very distinguished ambassador in Brazil, and if there ever was a dictatorship it was under Vargas. Where we send our ambassadors is our own business. It is true, perhaps that others are afraid we may have a dual front somewhere across the Atlantic Ocean which, in these days of rapid transportation has become a large-sized pond. We might advantageously have a dual front. We might have Spain; we might have England, and we might even have Ireland as a place in which to land. We must start thinking about ourselves and be alerted to the plans and transactions of those making splendid international business deals while we are straining our relations with a sister nation.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. RABAUT] has expired.

The Clerk read as follows:

SEC. 4. The Secretary of State may promulgate such rules and regulations as may be necessary to carry out the functions now or hereafter vested in the Secretary of State or the Department of State, and he may delegate authority to perform any of such functions to officers and employees under his direction and supervision.

SEC. 5. The following statutes or parts of statutes are hereby repealed:

Section 200 of the Revised Statutes, as amended and amplified by the acts authorizing the establishment of additional Assistant Secretaries of State, including section 22 of the act of May 24, 1924 (ch. 182, and the act of December 8, 1944, R. S. 200; 43 Stat. 146; 58 Stat. 798; 5 U. S. C. 152, as amended by Public Law 767, 80th Cong.).

Section 202 of the Foreign Service Act of 1946 (60 Stat. 1000) and any other reference in such act to the "Deputy Director General."

Section 1041 of the Foreign Service Act of 1946 (60 Stat. 1032).

The CHAIRMAN. Under the rule, the Committee will now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DEANE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3559) to strengthen and improve the organization and administration of the Department of State, and for other purposes, pursuant to House Resolution 203, he reported the same back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. KEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1704) to strengthen and improve the organization and administration of the Department of State, and for other purposes, strike out all after the enacting clause and insert in lieu thereof the provisions of H. R. 3559, as amended.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That there shall be in the Department of State, in addition to the Secretary of State, an Under Secretary of State and 10 Assistant Secretaries of State. The Secretary of State may designate two Assistant Secretaries to serve as Deputy Under Secretaries.

Sec. 2. The officers referred to in section 1 of this act shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser, who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with the Assistant Secretaries of State. Officers enumerated in section 1 holding office at the time the provisions of this act become effective shall not be required to be reappointed by reason of the enactment of this act.

Sec. 3. The Secretary of State, or such person or persons designated by him, notwithstanding the provisions of the Foreign Service Act of 1946 (60 Stat. 999) or any other law, except where authority is vested in the President of the United States, shall, under the authority of the President, administer, coordinate, and direct the Foreign Service of the United States. Any provisions in the Foreign Service Act of 1946, or in any other law, vesting authority in the Assistant Secretary of State for Administration, the Assistant Secretary of State in Charge of the Administration of the Department, the Director General, the Board of Examiners for the Foreign Service, or any other reference with respect thereto, are hereby amended to vest such authority in the Secretary of State.

Sec. 4. The Secretary of State may promulgate such rules and regulations as may be necessary to carry out the functions now or hereafter vested in the Secretary of State or the Department of State, and he may delegate authority to perform any of such functions to officers and employees under his direction and supervision.

Sec. 5. The following statutes or parts of statutes are hereby repealed:

Section 200 of the Revised Statutes, as amended and amplified by the acts authorizing the establishment of additional Assistant Secretaries of State, including section 22 of the act of May 24, 1924 (ch. 182, and the act of Dec. 8, 1944, R. S. 200; 43 Stat. 146; 58 Stat. 798; 5 U. S. C. 152, as amended by Public Law 767, 80th Cong.).

Section 202 of the Foreign Service Act of 1946 (60 Stat. 1000) and any other reference in such act to the Deputy Director General.

Section 1041 of the Foreign Service Act of 1946 (60 Stat. 1032).

Mr. KEE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KEE: Strike out all after the enacting clause and insert the following: "That there shall be in the Department of State in addition to the Secretary of State an Under Secretary of State and 10 Assistant Secretaries of State.

"Sec. 2. The Secretary of State and the officers referred to in section 1 of this act shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser, who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with the Assistant Secretaries of State. Any such officer holding office at the time the provisions of this act become

effective shall not be required to be reappointed by reason of the enactment of this act. The Secretary may designate two of the Assistant Secretaries as Deputy Under Secretaries.

"Sec. 3. The Secretary of State, or such person or persons designated by him, notwithstanding the provisions of the Foreign Service Act of 1946 (60 Stat. 999) or any other law, except where authority is inherent in or vested in the President of the United States, shall administer, coordinate, and direct the Foreign Service of the United States and the personnel of the State Department. Any provisions in the Foreign Service Act of 1946, or in any other law, vesting authority in the Assistant Secretary of State for Administration, the Assistant Secretary of State in Charge of the Administration of the Department, the Director General, or any other reference with respect thereto, are hereby amended to vest such authority in the Secretary of State.

"Sec. 4. The Secretary of State may promulgate such rules and regulations as may be necessary to carry out the functions now or hereafter vested in the Secretary of State or the Department of State, and he may delegate authority to perform any of such functions to officers and employees under his direction and supervision.

"Sec. 5. The following statutes or parts of statutes are hereby repealed:

"Section 200 of the Revised Statutes, as amended and amplified by the acts authorizing the establishment of additional Assistant Secretaries of State, including section 22 of the act of May 24, 1924 (ch. 182, and the act of December 8, 1944, R. S. 200; 43 Stat. 146; 58 Stat. 798; 5 U. S. C. 152, as amended by Public Law 767, 80th Cong.).

"Section 202 of the Foreign Service Act of 1946 (60 Stat. 1000) and any other reference in such act to the Deputy Director General."

"Section 1041 of the Foreign Service Act of 1946 (60 Stat. 1032)."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, the proceedings by which the bill (H. R. 3559) to strengthen and improve the organization and administration of the Department of State, and for other purposes, was passed were vacated, and that bill was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. KEE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to revise and extend their remarks on the bill H. R. 3559.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

INFORMATION VACUUM

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point of the RECORD and to include an article from the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to insert in the RECORD an editorial which appeared in the Washington Post for April 19, 1949, and titled "Information Vacuum." There

is much food for thought in this editorial and I commend the reading of it to the Members of this body. It is my hope that the Senate committee now holding hearings on the information and cultural program of the State Department will see fit to increase the amount voted by the House to the end that this vital and necessary program, under the very capable leadership of Assistant Secretary George Allen, can be carried out in the most capable, far-reaching, and penetrating manner.

INFORMATION VACUUM

Those persons who belittle the effectiveness of the United States information program abroad would do well to read the report of the Advisory Commission on Information. This Commission consists of five private citizens acting under terms of the Smith-Mundt Act. Basing its conclusions largely on a first-hand survey by one member, the Commission finds that the quality of the State Department program is good, that the program is reaching the people on both sides of the iron curtain, but that the extent is pitifully inadequate to the need.

For example, the Voice of America is regarded not only as a source of truth behind the iron curtain, but also as tangible evidence that the United States is serious about the business of resisting Communist aggression. It thus serves as a means of spreading hope and encouragement. The Commission urges that both the power and length of broadcasts be increased. With respect to countries beyond the Russian yoke, it is perhaps natural that American radio broadcasts do not compete so effectively with national programs. The Commission recommends increasing the attractiveness of programs and the purchase of time on local stations. It has similar recommendations on libraries, films, and other information media.

What the advisory group says carries unusual weight because of the clear relationship between the information program and the other aspects of foreign policy. It is time that both Congress and the administration recognized through more adequate appropriations that the battle for men's minds is no less important than their military defense and physical well-being. As the Commission notes pointedly: "A budget which contemplates \$15,000,000,000 for military, five billion for economic, and only thirty-six million for information and educational services (cut by the House to thirty-four million) does not provide an effective tool for cleaning out the Augean stables of international confusion and misunderstanding."

EXTENSION OF REMARKS

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. TABER (at the request of Mr. CANFIELD) was given permission to revise and extend his remarks.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

SPECIAL ORDER

The SPEAKER. Under the previous order of the House the gentleman from New York [Mr. JAVITS] is recognized for 10 minutes.

THE EIGHTY-FIRST CONGRESS—FIRST SESSION—FIRST REPORT—RECORD AND FORECAST

Mr. JAVITS. Mr. Speaker, the first session is well past the half-way mark

and it is a good time to survey where we stand. Only two major pieces of legislation have been completed with resulting Presidential approval making them law—the Housing and Rent Act of 1947, extended by Public Law No. 31; and the Economic Cooperation Act carrying the authorization for another year's continuance of the European Recovery Program, Public Law No. 47.

Other major legislation, on social security, health, the Labor Management Act, increase of the minimum wage, housing, antipoll tax, and FEPC remain in different stages of the legislative process. It is fair to say that a Congress with a majority elected on what most of our people considered to be a mandate for a program of social welfare turns out to be so far a Congress of frustration. I have diligently devoted my efforts to trying to break this log jam and to trying to get legislation enacted which the people want and should have.

RENT CONTROL

The Housing and Rent Act of 1949 extends rent control for 15 months to June 30, 1950. I took a most active part in the enactment of this legislation and offered various important amendments.

The beneficial changes in the law may be briefly summarized as follows:

First. Certification of services. This new feature of the rent-control law was sponsored by me and requires for the first time a sworn certification by the landlord that he is maintaining all services to tenants as a condition to obtaining a rent increase. This feature of the new rent law will redound to the benefit of all tenants in our district and in the country. One of the most serious complaints which has come to my attention has been the fact that landlords have been filing for and receiving increases of rent while tenants complained the services they have been receiving have been reduced substantially. For the first time, tenants will be assured of adequate services if the landlord seeks an increase of rent. Nor does this prevent tenants from seeking proper redress as they could before, in the event of a decrease of services even though the landlord does not apply for a rent increase.

Second. Fair net operating income: Instead of the former hardship provisions of the rent regulations, the Housing Expediter has set a formula with which the landlord must comply in order to seek relief. The landlord will have to submit records to show that his property is not showing, currently, a fair amount of receipts over expenditures, rather than compare his current income and expenses with previous years.

Third. Evictions: Tightened eviction controls were restored to the Housing Expediter for the first time in 2 years. In New York we have had a temporary city rent commission in this connection and now there are controls both by the city and the Federal Government so that the tenants get greater protection against improper evictions.

Fourth. Tenants' right to appeal: For the first time in the history of rent control the tenants have been granted the absolute right to appeal from any orders issued by a rent office.

Fifth. Treble damages: The Housing Expediter is once again authorized to bring action for treble damages on behalf of tenants. The tenants, of course, still have the right to bring their own actions, in which event, the court is to award court costs and counsel fees besides treble damages.

Sixth. Decontrolled apartments: Apartments which were formerly decontrolled because of the termination of voluntary leases between December 31, 1947, and April 1, 1948, are back under control at the lease rental. Apartments which were decontrolled because they had been vacant for a 24-month period between February 1, 1945, and March 30, 1948, or had been occupied or rented to a member of the landlord's immediate family are now recontrolled. As a result, many tenants who have been paying very high rentals because apartments had been decontrolled will now have their rents reinstated at rentals which prevailed prior to the decontrol ruling.

Permanent residents in nontransient hotels are now back under control with the ceiling rent fixed as of March 1, 1949.

Seventh. Converted dwellings: So-called conversions by landlords as a result of which additional housing accommodations are created are now subject to examination and approval by the Rent Office before decontrol takes effect. Under the previous laws if a landlord claimed he converted a housing accommodation into additional units, he declared himself decontrolled; now he must establish that it was a real conversion and that additional housing has resulted.

In order to protect the people of our district, I have expanded the facilities of the Congressional Rent Clinic, which has helped more than 4,000 residents of the district, so that branches will be operated throughout the district. I am gratified by the very favorable response received during the past 2 years as a result of the work of this Rent Clinic, and express, too, my profound appreciation for the public-spirited group of lawyers in our district rendering this public service without fee under the direction of Hyman W. Sobell, Esq., Chairman of the Congressional Rent Clinic.

HOUSING

Housing continues to be our No. 1 domestic unsolved problem. Together with nine other Members of the House of Representatives I have sponsored a comprehensive housing bill providing for the construction of 800,000 federally assisted low-rent housing units—public housing—a \$1,500,000,000 slum-clearance program, \$3,000,000,000 in direct, very low interest loans for the construction of housing units for families in the middle-income brackets and opportunities for rural nonfarm and farm housing. Under this bill the construction goal of 1,500,000 new home units per year would be made possible.

The Senate has already passed a public-housing and slum-clearance bill and I am now exerting every effort in cooperation with national civic and veterans' organizations to bring about housing action for all income groups in the House of Representatives. Public housing and slum clearance will pass, but there must

be action, too, for the middle-income groups ineligible for public housing, now priced out of the market both for sale and rental. A national housing bill failed to pass on two previous occasions in the House since World War II after passing the Senate. The climate for the enactment of housing legislation in this session of Congress, especially for public housing and slum clearance is the best that it has been since 1937. The catastrophic emergency remains as great as ever, with over 2,500,000 families, largely those of veterans in the middle-income group, living doubled up with their relatives or friends and as many more living in substandard accommodations.

HEALTH AND EDUCATION

Two other critically important fields of social welfare await action by the Congress—legislation accepting the national responsibility for health, and providing Federal aid to education.

The President's health plan has been offered in the form of a compulsory payroll tax like the social security and unemployment insurance taxes for which medical and hospital services and eventually dental and nursing services are promised. Coverage is to be provided for over 80,000,000 Americans paying a payroll tax of 3 percent, one-half each from employer and employee, on wages and salaries up to \$4,800 per year. Opposition on the part of the medical profession continues unabated. It is a fact that our country enjoys a very high quality of medical service today considering the standard of medical care in other countries. It is important, therefore, that the quality remain high when the quantity is increased, for it is also very important to remember that millions of our citizens are deprived of adequate medical care because of cost or because of geographical location in rural areas not now adequately served by medical facilities.

I have stated before and it continues to be my position that I shall support the acceptance by the Government of the national responsibility for the people's health without compromising freedom of choice. It must be made possible within this framework to provide for increased hospital and medical care for our people, and at the same time not to mislead them with glittering promises of immediate large-scale services which cannot be performed due to shortages of doctors, nurses, dentists, hospitals, and facilities.

I have always advocated and continue to advocate Federal aid to education. The bill already passed by the Senate appropriates \$300,000,000 toward achieving a minimum level of education in all the States, supplementing State funds with Federal grants based on State per capita income. It is important to be sure that each State is doing the limit of what can be expected of it for itself, and that this legislation shall not centralize authority over our educational system in the Federal Government or regulate State educational systems otherwise meeting fair standards.

LABOR-MANAGEMENT LEGISLATION

The heated controversy over the Labor-Management Relations Act of 1947—the Taft-Hartley law—has not been dis-

posed of, a stalemate having developed in the House of Representatives.

I originally voted against the Taft-Hartley law and was pledged to its repeal. I consider the recent effort to pass the Wood bill an effort to maintain the essentially punitive basis of Taft-Hartley by another name—an act which has evoked such violent protest from the 16,000,000 hard-working, law-abiding Americans who are union members. Our fundamental objective must be to see that collective bargaining between employers and employees remains and is conducted fairly, and with the least Government interference; save the right of the Government to cope with national emergencies due to labor conflict in the interests of the Nation as a whole, but without coercion.

Other fundamental issues with respect to labor are the increase of the minimum wage and the enactment of a Fair Employment Practices Commission law.

We should expand the protection for employees made available by the Fair Labor Standards Act, as the act has been restrictive in its operations thus far. The cost of living and the general economic level of our country certainly dictate an advance to a minimum wage of 75 cents per hour as a fair one and I have supported such advance.

FEPC legislation, which has operated so successfully in New York, is long overdue. Our constitutional democracy suffers at home and abroad from the absence of this legislation. We give thereby a powerful propaganda weapon to Communist forces seeking to discredit our system.

I have offered an FEPC bill myself, H. R. 192, and have testified in support of it before the House Committee on Education and Labor. I have joined and will continue to join without reserve in the struggle for one of the great privileges of our democracy for all people, regardless of their color, their national origins, or their religious faiths—freedom of job opportunity to the limit of their abilities—and I am convinced that a realization of this goal can be enormously advanced by the enactment of a fair-employment practices law.

NATIONAL THEATER, OPERA, AND BALLET

We are seeking a healthy citizenry with sufficient time for recreation, and fair compensation for our working people so that they may enjoy the satisfactions of which our industrial system is capable. Accordingly, I have offered and worked hard for a bill to ultimately bring about the establishment of a national theater, opera, and ballet, and a bill to help our youth avoid the pitfalls of juvenile delinquency.

People everywhere have enthusiastically endorsed the aim to establish facilities for national theater and music, and to make them available to the tens of millions of Americans who do not now enjoy these arts.

The National Youth Assistance bill seeks \$50,000,000 to assist States, municipalities, and social-welfare organizations in their activities for prevention of juvenile delinquency and to afford recreational, educational, and citizenship orientation opportunities for our youth.

I have just completed a country-wide survey of the youth activities sponsored by State and city governments like the activities of Youth Aid, Inc., an organization of public-spirited citizens in our district, of which I am a director. There is agreement by most of the State and municipal authorities that Federal legislation of the character I have proposed is necessary.

VETERANS

My concern with problems of employment, housing, health, youth, and recreation has not, however, overshadowed my great interest in our veterans. A large amount of service continues to be given by my congressional office in individual veterans' cases. I have joined in efforts to assure veterans the utmost in satisfactory hospital and other service benefits. I am gratified that thousands of veterans in our district join me in considering the rejection of the first Rankin pension bill as being a service to the interests of our country, which will result in passage of a reasonable bill.

The care and protection of our veterans remain to me, both as a citizen and fellow veteran, a subject of primary concern.

SOCIAL SECURITY

I have worked, and will continue to work hard for a broadening and improvement of old-age and survivors' insurance benefits. The reserves in the Federal system are great enough to warrant at least a 50-percent increase in these benefits.

In order to be helpful to our pensioners and retired citizens I have offered legislation exempting from Federal income taxes all Federal, State, and city employees' pensions up to \$2,000 per annum and also disability pensions.

And while we are on the subject of taxes, it is fair to consider the plight of the ordinary consumer 4 years after the war still paying what are called luxury taxes on baby oil, inexpensive cosmetics, popular-priced handbags, and, yes, on fur coats costing not more than an inexpensive cloth coat. Such taxes ought to be eliminated from the cost of living of the moderate-income family.

PROTECTION OF MINORITIES

As the postwar legacy of Nazi Germany we continue to harvest in our country a group of hatemongers and spreaders of malicious propaganda seeking to turn minority against minority, whether of color or religion, and the majority against all minorities. Accordingly I joined with others of my colleagues in introducing a bill making it unlawful to disseminate malicious and false statements prejudicing the public mind against minorities whether Negroes, Catholics, Jews, Greeks, Italians, or of other races, religions, or national groups. Such legislation is designed to keep our free speech unimpaired and our free press unswelled.

TOTALITARIAN MOVEMENTS

In the past few months I have had occasion to protest vigorously against the resurgence of Nazi activity which has been permitted by the United States military government in Germany,

in the management of German industry and German economic and social life.

I protested against the participation by former Nazis and their sympathizers in the German Export Fair in New York City and succeeded in getting the lists of those German businessmen who sought to come over to the fair culled and culled again to eliminate many whose records were questionable.

My efforts have also been directed toward fighting the Communist danger to our freedoms. I have not only fought it in the support of our foreign policy, but have also vigorously protested the outrages against justice such as the "trial" of Cardinal Mindszenty by the Government of Hungary. I introduced a resolution condemning this trial and as a member of the House Foreign Affairs Committee joined in bringing about action on the resolution reported by that committee and passed by the House of Representatives condemning the Mindszenty trial as an outrage on the civilized world. I shall continue in this struggle against the forces of the extreme left and the extreme right, which meet in their efforts to extinguish our freedoms.

DISPLACED PERSONS

I denounced the Displaced Persons Act passed in 1948 as brazenly discriminatory. It excluded tens of thousands of displaced persons who had really suffered under the Nazi terror while it admitted others who actually or ideologically played with the Nazi fifth columns. Great efforts have been made to amend this legislation in this Congress. I have introduced a displaced-persons bill to admit 400,000 DP's on an entirely non-discriminatory basis and without restrictions on their opportunities in the United States. I have also introduced again in this Congress the bill for the admission of war orphans for adoption by American families.

A new DP bill has just been reported out and should in substance soon pass the House of Representatives from where it will go to the Senate. This bill increases the aggregate number of DP's to be admitted from 205,000 in 2 years to 339,000 in 3 years, and provides for the admission of certain children adopted by American citizens. An especially pertinent amendment changes the cut-off date for DP status qualification which caused so much mischief in the present law, from December 22, 1945, to January 1, 1949. The bill also allocates a quota of 4,000 to refugees from Shanghai, China, a recognition, even if only partial, of the critical situation there.

FOREIGN POLICY

As a member of the Committee on Foreign Affairs of the House of Representatives the great events since the Congress convened in January have been of fundamental concern to me.

One of the major struggles in our foreign policy has been successfully surmounted in both the House and the Senate in the enactment of the authorization for another year of the European recovery program.

ATLANTIC PACT

The Atlantic Pact will soon be under consideration in the Senate which alone

will be called upon to approve or reject it. I am assured that there will be full and complete opportunity for hearings in the Senate before the Senate Foreign Relations Committee of all people and interests who seek to be heard, and that there will be a full debate in the Senate. Though the House of Representatives will not pass on the pact itself it will pass on implementing legislation.

It is significant that shortly after the announcement of this pact we saw the first break in the Soviet intransigence with regard to the blockade of Berlin. The opponents of the pact claimed that it would drive Russia into a hostile isolation, but not this attitude but a contrary attitude has been manifested by the Soviet Union. I think it is fair to say that the Soviet seems to respect facts like the peaceful airlift, more than words.

INTERNATIONAL TRADE ORGANIZATION

As we consider our foreign affairs and the effectiveness of these great policies to rehabilitate our sister democracies, we must look forward to the next step of their ability to stand on their own feet as effective producers with a decent standard of living through their own efforts. The United States has taken the lead in this respect in the setting up of the International Trade Organization designed to facilitate the most extensive and helpful world trade among the nations.

I represented the United States as a member of its delegation in Havana when the organization was formed, and I have introduced legislation in the Congress to bring about United States membership in the International Trade Organization.

It also must be recognized that the Reciprocal Trade Agreements Act, the extension of which for three more years I supported, is one of the keystones in the edifice of economic and political freedom which we are trying to construct in the world.

Finally, there is the "bold new program" referred to by the President in his inaugural address regarding the making available of American skill in the effort to economically and industrially develop under-developed areas. Exports of skill cost us little and are priceless to the recipients. In this way we help them best to help themselves.

INDEPENDENCE OF ISRAEL

No discussion of our foreign affairs is complete without attention to the triumph of justice in which we had an important hand—the establishment of the independence, and now of peace and security in the new state of Israel. Early in the congressional session I fought any interference by Great Britain, out of a misguided sense of her interests in the Middle East, with the beginnings of a peaceful solution of the conflict between Israel and the Arab states.

The valor of the people of Israel, the influence of the United Nations, and the material and moral support of the people of the United States have won them their freedom and their opportunity.

IRELAND

The struggle for the independence of Ireland bears many similarities to the struggle of Israel. Eire should be ad-

mitted into the United Nations and at the least a plebiscite should be taken all over Ireland under United Nations auspices for the purpose of bringing about its unification.

UNITED NATIONS

The enhancement of the prestige of the United Nations resulting from its successful efforts with respect to Palestine and the admission of Israel to its membership, have contributed materially to the more optimistic views respecting its future. Under the conditions of the atomic and air age, and with geographical boundaries materially reduced in importance, the development of the United Nations ultimately into a world federal government becomes the surest means of attaining its goal of international peace and security.

NATIONAL DEFENSE

I am convinced that in the interests of our Constitution and our freedom, civilian control of our national security and the limitation of military influence to the technical requirements of the services are essential. National security through our Military Establishment is only one element in our foreign policy. The solutions we seek in the world are solutions through peace. We must see that both in size and in effectiveness our Military Establishment is complete within these proper limitations, but that never shall the United States be rattling a sword in a scabbard.

All of us are aware that in a world of realism while we engage in great efforts of foreign policy, we must also look to our national security. The military budget constitutes about one-third of our total budget for the next fiscal year. The Hoover Commission on the Reorganization of Government has pointed out great wastes which exist in our Military Establishment. In common with others who have served in the armed forces, I am also aware of the need for constant modernization of our concepts of what is the best military posture for national security. These principles and efforts shall have my urgent attention.

CONCLUSION

This is a general review of what has been done in the Eighty-first Congress and what can be seen ahead for the future. Our people may rest secure in the fact that our democracy is working. There are many failures and insufficiencies, much injustice which needs to be righted, and many challenging problems to be met, but our democracy and our people show the vigor capable of meeting them. So long as we remain steadfast in this position, our great Nation is safe.

BILLS PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on May 11, 1949, present to the President, for his approval bills of the House of the following titles:

H. R. 2440. An act to authorize the Public Housing Commissioner to sell the suburban resettlement projects known as Greenbelt, Md.; Greendale, Wis.; and Greenhills, Ohio, without regard to provisions of law requiring competitive bidding or public advertising; and

H. R. 3932. An act to exempt artificial limbs from duty if imported for personal use and not for sale.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 56 minutes p. m.), under its previous order, the House adjourned until Monday, May 16, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

614. Under clause 2 of rule XXIV, a letter from the Under Secretary of State, transmitting a draft of a proposed joint resolution entitled "Joint resolution to authorize the President to lend to the Food and Agriculture Organization of the United Nations funds for the construction and furnishing of a permanent headquarters, and for related purposes," was taken from the Speaker's table and referred to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. NORTON: Committee on House Administration. House Resolution 195. Resolution for the relief of Doris Batey Cox; without amendment (Rept. No. 571). Referred to the House Calendar.

Mrs. NORTON: Committee on House Administration. House Resolution 194. Resolution for the relief of Mrs. Mary Leimgruber; without amendment (Rept. No. 572). Referred to the House Calendar.

Mrs. NORTON: Committee on House Administration. House Resolution 115. Resolution providing for the expenses incurred by House Resolution 114; with amendments (Rept. No. 573). Referred to the House Calendar.

Mr. REGAN: Committee on House Administration. House Resolution 186. Resolution providing for holding memorial services on Wednesday, May 25, 1949; with an amendment (Rept. No. 574). Referred to the House Calendar.

Mrs. NORTON: Committee on House Administration. House Joint Resolution 21. Joint resolution to provide for the utilization of a part of the unfinished portion of the historical frieze in the rotunda of the Capitol to portray the story of aviation; without amendment (Rept. No. 575). Referred to the House Calendar.

Mrs. NORTON: Committee on House Administration. House Resolution 156. Resolution to provide funds for the Committee on the Judiciary; with amendments (Rept. No. 576). Referred to the House Calendar.

Mrs. NORTON: Committee on House Administration. H. R. 4583. A bill relating to telephone and telegraph service and clerk hire for Members of the House of Representatives with an amendment (Rept. No. 577). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H. R. 4470. A bill to amend the act of February 19, 1941, as amended, so as to establish a Women's Reserve as a branch of the Coast Guard Reserve; without amendment (Rept. No. 578). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANKIN: Committee on Veterans' Affairs. H. R. 4617. A bill to liberalize the requirement for payment of pension in certain

cases to veterans and their widows and children; with an amendment (Rept. No. 580). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 1790. A bill to restore certain land in Alaska to the public domain and to authorize its sale to Ford J. Dale, of Fairbanks, Alaska; with amendments (Rept. No. 579). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H. R. 4659. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. BURNSIDE:

H. R. 4660. A bill to provide for the general welfare by enabling the several States to make more adequate provision for the health of children of school age through the development of children's health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H. R. 4661. A bill to improve the administration of justice by the creation of an Administrative Court of the United States; to the Committee on the Judiciary.

By Mr. CHESNEY:

H. R. 4662. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. JAVITS:

H. R. 4663. A bill to provide annuities to the widows of justices, judges, or former justices or judges of the courts of the United States; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 4664. A bill to provide pensions for sons and daughters of veterans of the War of 1812; to the Committee on Veterans' Affairs.

By Mr. RIBICOFF:

H. R. 4665. A bill to amend section 2000 (c) (1) of the Internal Revenue Code relating to cigars; to the Committee on Ways and Means.

By Mr. SCRIVNER:

H. R. 4666. A bill to amend section 514 of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, to permit States and political subdivisions thereof to impose taxes on the personal property of members of the armed services located in such States and political subdivisions; to the Committee on Armed Services.

By Mr. RANKIN:

H. R. 4667. A bill to exclude from the United States mails matter advocating communism or the overthrow of the Government of the United States by force or violence; to the Committee on Post Office and Civil Service.

By Mr. BYRNE of New York:

H. R. 4668. A bill to prohibit the transportation in interstate or foreign commerce of

bulls with intent to use such bulls for bullfighting, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORBETT:

H. R. 4669. A bill to clarify and formulate a consistent and coordinated national policy with respect to transportation costs in interstate commerce, to strengthen the anti-trust laws of the United States and to provide for their more effective enforcement, and to promote competition by permitting sellers to have access to distant markets; to the Committee on Interstate and Foreign Commerce.

By Mr. KENNEDY:

H. R. 4670. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. PETERSON:

H. R. 4671. A bill to further the policy enunciated in the Antiquities Act and to facilitate public participation in the preservation of sites, buildings, and objects of national significance or interest and providing a national trust for historic preservation; to the Committee on Public Lands.

By Mr. CHUDOFF:

H. Res. 211. Resolution to authorize and direct the Committee on Veterans' Affairs to investigate private trade and business schools and colleges at which veterans are enrolled under the Servicemen's Readjustment Act of 1944; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Ohio, protesting the action of Gen. Lucius Clay in commuting the life sentence of Ilse Koch to a 4-year term of imprisonment and requesting the proper authorities in Washington to have the matter reviewed in order that the ends of justice may be well served; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Florida, memorializing the President and the Congress of the United States against the passage of any legislation providing for socialized medicine and compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS of Georgia:

H. R. 4672. A bill for the relief of MacDougald Construction Co.; to the Committee on the Judiciary.

By Mr. FISHER:

H. R. 4673. A bill for the relief of the widow of Robert V. Holland; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 4674. A bill for the relief of Basile Carras and Calliope Carras; to the Committee on the Judiciary.

By Mr. MORRIS:

H. R. 4675. A bill conferring jurisdiction upon the District Court of the United States for the Western District of Oklahoma to hear, determine, and render judgment upon the claim of Troy Hensley against the United States; to the Committee on the Judiciary.

By Mr. RIEHLMAN:

H. R. 4676. A bill for the relief of Albert D. Petrosino; to the Committee on the Judiciary.

By Mr. MAHON:

H. R. 4677. A bill for the relief of Costantinos Demetrias Petropoulos, sometimes known as Petropol; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

842. By Mr. GOODWIN: Memorial of the Massachusetts Legislature, requesting Congress to change the date of Labor Day to the second Monday in September; to the Committee on the Judiciary.

843. Also, memorial of the Massachusetts Legislature, relative to repealing the excise taxes on articles of jewelry, furs, cosmetics, and handbags; to the Committee on Ways and Means.

844. By Mr. SMITH of Wisconsin: Resolution passed by the house of delegates of the Wisconsin State Dental Society, opposing the bill, commonly known as the Wagner-Murray-Dingell bill, to establish a system of compulsory health insurance in the United States; to the Committee on Interstate and Foreign Commerce.

845. By the SPEAKER: Petition of Mrs. Agnes G. Shankle and others, General Welfare Federation of America, Washington, D. C., requesting passage of H. R. 2620, known as the old-age plan; to the Committee on Ways and Means.

846. Also, petition of George W. Johnson and others, Franklin Furnace, Ohio, requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

847. Also, petition of Mrs. Peter Turner and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

848. Also, petition of Ernest G. Perkins and others, Hialeah, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

849. Also, petition of Mrs. M. B. Claypoole and others, St. Petersburg, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

850. Also, petition of Bertha Miller and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

851. Also, petition of Robert E. Hardwicke, Jr., Fort Worth Bar Association, Fort Worth, Tex., recommending passage of the bill H. R. 3971, introduced by Mr. BYRNE of New York, which provides for an increase in compensation for referees in bankruptcy; to the Committee on the Judiciary.

852. Also, petition of Mrs. P. O. Marvel, president, Woman's Auxiliary, Nebraska State Medical Association, Giltner, Nebr., opposing any system of compulsory health insurance and to any system of medical care designed for national bureaucratic control; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, MAY 13, 1949

(Legislative day of Monday, April 11, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal God, we thank Thee for this shrine of the Nation's faith where, facing vast human issues committed to their hands, relying on a strength and a wisdom not their own, those here called to